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Latin America

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Cuba

Castro Meets With Tripartite Joint Commission

FL2203005489 Havana Television Service in Spanish 0000 GMT 22 Mar 89

[Text] At the end of this cast, we were informed that Fidel Castro Ruz, president of the Councils of State and Ministers, received this evening the members of the Joint Commission that is meeting in this capital.

The commander in chief received the Angolan, South African, and Cuban delegations at the Palace of the Revolution. Also present were the representatives of the United States and the Soviet Union who are participating in these meetings as observers. The Joint Commission began its meeting 2 days ago at the Palace of Conventions. To this moment, the group has reviewed an extensive agenda that includes, among other subjects, the application of UN Resolution 435 for the independence of Namibia.

The meeting had been scheduled to end this evening; however, since not all the subjects on the agenda have been discussed yet, the meeting will continue until tomorrow.

Prisoners of War Discussed

FL2103234789 Havana Radio Rebelde Network in Spanish 2306 GMT 21 Mar 89

[Telephone report by Alberto de Perez from Palace of Conventions during "Exclusivo" program—live]

[Excerpt] The Angola-Cuba-South Africa Joint Commission that is meeting in Havana's Palace of Conventions this afternoon agreed to continue its sessions tomorrow, which is longer than the 2-day scheduled meeting. Today, hard work was done during a plenary session, as well as during a military subcommittee that dealt with the prisoners of war issue. The delegations examined other subjects on the agenda, which included the establishment of a rapid communications system among the parties and the final communique. Yesterday, according to what Alcibiades Hidalgo, spokesperson for the Cuban delegation, reported to Radio Rebelde there had been a review of the implementation of UN Resolution 435, which was issued by the UN Security Council in 1978 and (?stipulates) Namibia's independence. The Tripartite Agreement signed in New York on 22 December 1988 established 1 April, exactly 10 days from today, for the implementation of said resolution. [passage omitted]

Tripartite Meeting Extended

FL2103225589 Havana Radio Reloj Network in Spanish 2235 GMT 21 Mar 89

[Text] The talks that were supposed to end today in our capital on the agreements signed at the United Nations in December 1988 for Southwestern Africa, have been extended to tomorrow, Wednesday [22 March].

A spokesperson for the Cuban delegation reported at the Palace of Conventions that after tomorrow's discussions, the second session of the Tripartite Joint Commission will reveal the results of the 3 days of analysis. A few moments earlier, Carlos Aldana, secretary of the Communist Party of Cuba Central Committee and head of our country's delegation, termed as very positive the development of the discussions that are being held in Havana between Angola, Cuba, and South Africa with the United States and the USSR as observers.

The decisions that are taken tomorrow, Wednesday, at the second session of Angola-Cuba-South Africa Joint Commission will be a significant contribution to the progress of the Tripartite Agreement on Southwestern Africa that was signed in the United Nations on 22 December 1988.

Documentary on Castro Visit to Venezuela

FL1603181389

[Editorial Report] Havana Television Cubana Network in Spanish at 0200 GMT on 14 March broadcasts a 1 hour and 45 minute documentary entitled "America Is the Fatherland" on the February visit of Cuban President Fidel Castro to Venezuela for the inauguration of Venezuelan President Carlos Andres Perez.

The documentary begins by showing a montage of President Fidel Castro's arrival in Caracas. Castro is seen walking from the plane to a car. At this time, many reporters and officials can be seen surrounding Castro.

Camera cuts to show scenes of Venezuela. The video shows huts in the slum areas of Caracas and then the camera cuts to show barefoot children playing in the streets. During these scenes, the narrator gives a brief history of Venezuela's economic situation. The camera then cuts to show the inauguration ceremony of Venezuelan President Perez. The video cuts to show Castro sitting next to Dominican President Joaquin Balaguer and then cuts to show Nicaraguan President Daniel Ortega. A brief video clip of President Perez's inauguration speech is then shown. The narrator then says that Castro met with various Latin American leaders during his stay in Venezuela and that they talked about many important matters. Meanwhile, the video shows clips of Castro sitting in conversation with Brazilian President Jose Sarney, Venezuelan President Carlos Andres Perez, Costa Rican President Oscar Arias, and former Mexican President Luis Echevarria.

At this point, the camera cuts to show Castro surrounded by various reporters who are interviewing him. The narrator comments that Castro was plagued at every moment by the interest of the Venezuelan media. The video then shows a segment of Castro being interviewed by Venezuelan journalist Nelson Bucaranda.

Afterward, the camera cuts to show Castro being interviewed by other journalists. Castro states that there is a Venezuelan Embassy in Cuba and that he would like to see a Cuban Embassy in Venezuela. Camera then cuts to show file footage of Castro's first visit to Venezuela after the triumph of the Cuban Revolution. Scenes of a park in Caracas are then shown. The camera does a close-up of Simon Bolivar's equestrian statue and then cuts to show small children playing in the park.

At this point the video shows Castro at Simon Bolivar's tomb. Castro is seen placing a floral wreath in the shape of the Cuban flag at the tomb. After Castro places the floral wreath on the tomb, he is seen bowing to render honor to Bolivar.

The video then shows native Venezuelans in the jungles. The narrator comments that the ties between Cuba and Venezuela extend into history since the native inhabitants of Cuba and Venezuela are both Arawakan peoples. The narrator continues to explain the ties between Cuba and Venezuela and says that Antonio Maceo's father was Venezuelan and that the bilateral ties were strengthened when former Venezuelan President and author Romulo Gallegos visited Cuba.

Segments of Castro's meetings with Venezuelan businessmen, intellectuals, and religious groups are then shown.

Later, the camera cuts to show a montage of Caracas while Latin American music is heard playing. Video then shows Venezuelan newspapers with Castro on the front pages and magazines with Castro on the covers.

President Castro is then shown at the press conference. The video again shows more file footage of Castro's first visit to Venezuela.

Castro Tours Havana Hotel Construction Site

FL2203114589 Havana Tele-Rebelde Network in Spanish 1100 GMT 22 Mar 89

[Text] Commander in Chief Fidel Castro has toured the installations of a Havana hotel that is in the final stage of construction. The investment is located very close to the Genetic Engineering and Biotechnology Center and its construction workers plan to finish it in tribute to the 26 July anniversary.

Pedro Luis Saez, chief of the construction project, accompanied Fidel on his tour of the various areas and he showed him that the members of Brigade No 1 of the ECOA [Architectural Projects Construction Enterprise] No 6 are determined to progress at an accelerated rate without sacrificing the quality that has been attained thus far. He told Fidel that the workers are currently finishing the bricklaying and installing the roof and aluminum windows, as well as other tasks.

During the tour of the new Havana hotel, the first secretary of the Central Committee of the Communist Party of Cuba stressed the importance of finishing the project for its immediate use.

Soviet Technical Aid at Combine Factory Noted

FL2203012589 Havana Television Service in Spanish 0000 GMT 22 Mar 89

[Text] Since its inauguration, the Holguin sugarcane combine factory has counted on the work of Soviet specialists.

The sugarcane combine factory's 60th Anniversary of the October Revolution in Holguin is an example of the solidarity aid from the Soviet Union to Cuba. The joint efforts to create this enterprise began a long time before the inauguration of the plant; it began when the first machine that was built was tested in the USSR. Then, in our country, Soviets and Cubans happily completed the project—a symbol of the friendship between the two brother nations.

[Begin unidentified speaker recording, in Russian with simultaneous Spanish translation] The main group of Soviet specialists that work here at the 60th Anniversary factory have been working here for almost 3 years. We can also say that we will give the (?necessary) technical aid. Our work is also aimed at strengthening the friendship between the two peoples—between the peoples of Cuba and the Soviet Union. [end recording]

Vice President Meets With Sao Paulo Officials

FL2103115289 Havana Tele-Rebelde Network in Spanish 1100 GMT 21 Mar 89

[Text] Cuban Vice President Carlos Rafael Rodriguez has participated in several official activities during the final stage of his visit to Sao Paulo State.

On Monday afternoon, Carlos Rafael Rodriguez held talks with Sao Paulo Governor Orestes Quercia and he later visited the prefect of the capital of that state. The Cuban leader and Prefect Luisa de Souza analyzed possible cooperation programs between the cities of Sao Paulo and Havana.

Afterwards, Carlos Rafael visited the state's Legislative Assembly where he met with its president, Tonico Ramos. The development of relations between Brazil and Cuba, particularly in reference to Sao Paulo, was the main topic of interest to the two officials. Before departing the assembly, Carlos Rafael signed the Book of Outstanding Visitors where he described the great Latin American emotion felt on this occasion.

The Cuban vice president also met with outstanding Latin America personalities in the fields of culture and science.

Ministry Condemns 'Team Spirit 89' Maneuvers

FL2103134289 Havana Radio Progreso Network in Spanish 1100 GMT 21 Mar 89

[Text] The Cuban Foreign Ministry has issued a statement condemning "Team Spirit 89" military maneuvers being conducted by U.S. and South Korean forces. The document states that those war exercises intend to block DPRK efforts to construct socialism. The Cuban text adds that the maneuvers also attempt to contain the growth of the struggle of the masses to obtain true democracy in South Korea.

Risquet Meets With Christian Democrat Leader

FL2103150689 Havana Radio Progreso Network in Spanish 1100 GMT 21 Mar 89

[Text] Jorge Risquet, member of the Communist Party of Cuba Politburo, met in Rome yesterday with (Flaminio Piccoli), president of the Christian Democrat International. Matters of current international interest were discussed, especially those related to the Third World's foreign debt and the social disturbances it provokes. Risquet reiterated to (Piccoli) an invitation to visit Cuba to which the Christian Democrat leader responded that he will come to Havana this spring. The Cuban leader is attending the 18th congress of the Italian Communist Party in Rome.

May Day Parade Planned in Mariel Municipality

FL2103121289 Havana Tele-Rebelde Network in Spanish 1100 GMT 21 Mar 89

[Text] More than 160,000 Havana Province workers will participate in the people's rallies or marches marking 1 May, International Workers Day. This information was reported during the creation of the commission organizing the festivities. The Havana Province ceremony will be held in Mariel Municipality at 0900 where blocks of workers from several sectors of the territory, members of the Federation of Cuban Women, peasants, and FAR [Revolutionary Armed Forces] and MTT [Territorial Troops Militia] units will parade in the march of the combative people.

Commission for Computer Technology Meets

FL2103184489 Havana Tele-Rebelde Network in Spanish 1700 GMT 21 Mar 89

[Text] The 31st meeting of the Economic Council of the Intergovernmental Commission for Computer Technology from socialist countries has begun at the Solidarity Room of the Habana Libre Hotel. The opening session was presided over by Comrade (Ivanov Alber Nikolaviech), chairman of the Economic Council, and Samuel Savariego, president of the National Automated Systems and Computer Technology Institute. Progress of the work carried out on economic matters and the direction automation of the economy is taking in the sphere of computer technology will be analyzed and unified prices of technology means, goods, and micro-electronic elements will be coordinated during the meeting.

[Begin Cuban delegate Hector Casals recording] Approximately six points are included on the agenda. The fundamental one is the mutual trade of computer technology goods and the coordination of plans for 1991-1995. Mutual volumes of supplies should begin to be identified in this council meeting regardless of the fact that bilateral meetings held later by planning organs will establish the volumes previously identified. [end recording]

The meeting of the Economic Council of the Intergovernmental Commission for Computer Technology from socialist countries will end next (?Friday).

Installation of Replacement Phone Lines Begins

FL2103190089 Havana Tele-Rebelde Network in Spanish 1700 GMT 21 Mar 89

[Text] Workers of the construction and installation enterprise of the Communications Ministry and the Havana telephone enterprise have begun to install the first 20,800 lines to replace those damaged by the November fire. It is expected that the conditions will have been created for the gradual reestablishment of the service in Centro Habana and Habana Vieja by the end of this year or the beginning of next.

Use of Bauxite in Steel Successfully Tested

FL1703155989 Havana Radio Progreso Network in Spanish 1200 GMT 17 Mar 89

[Text] Cuban specialists have for the first time successfully tested the use of the country's bauxite in the production of steel. The tests were conducted in Antillana de Acero with the mineral that was extracted from the Sierra Azul deposit in Pinar del Rio. The use of bauxite improves the quality of steel, because it decreases impurities through fusion.

430 Cienfuegos Workers Injured in Accidents

FL1703224389 Havana Radio Reloj Network in Spanish 1927 GMT 17 Mar 89

[Text] According to a bulletin from the State Committee for Statistics in Cienfuegos, the number of labor accidents in this territory was reduced by 22 during the month of February in comparison to the same time last year. During this time, approximately 430 production and service workers were incapacitated by injuries. Three of these were fatally injured. One of the deaths occurred in the MINAZ [Sugar Ministry] and the others in the MICONS [Construction Ministry].

Nevertheless, there was an increase in the number of accidents in the industrial projects construction enterprises Nos 6 and 12, the Cinco de Septiembre industrial complex, the Karl Marx Cement Factory, and the Cienfuegos Municipal Education Directorate.

To get an idea of the number of people who were injured in their work, more than 15 people were injured daily in Cienfuegos Province during the month of February.

Three Men Arrested for Robbery, Murder

FL2103205489 Havana Radio Reloj Network in Spanish 1942 GMT 21 Mar 89

[Text] The efficient operations of the National Revolutionary Police in the Isle of Youth has permitted the capture, in less than 8 hours, of the perpetrators of an armed robbery in which Gilberto Castro Cordero was murdered. At the time of death, the victim was 69 years old. He worked as a night watchman at the Copelia ice cream shop in the Isle of Youth capital, where the crime occurred.

Nibaldo Malagon Silveira, 19 years old; Alexander Antigua Escobar, and Diosdado Martinez Machado have been arrested for the [word indistinct] crime. Malagon lives in Batabano, and Antigua and Martinez live in the Isle of Youth.

The night watchman was tied down and beat by the three individuals with sticks and other objects, and he later was strangled. He died of asphyxia.

The antisocial individuals had taken several ice cream containers. Action is being taken so that the culprits are taken to the tribunals.

Haiti

'Shelving' of Constitution Articles Discussed

Avril Grants Interview

FL2103172089 Port-au-Prince Radio Metropole in French 1700 GMT 20 Mar 89

[Text] In an interview over RTNH [television] last weekend, Lieutenant General Prosper Avril, president of the military government, discussed several matters of national interests, such as the temporary shelving of articles from the Constitution of 1987, the organization of elections in Haiti, insecurity, contraband, Haitian-Dominican relations, and his government's social policy. Here is an account of President Avril's interview to RTNH from (Smoy Noisie).

[Begin Avril recording, in Creole] No one can say that he has tried to talk and the government has prevented him from talking. From the point of view of the application of democratic principles, the application of the way a government should treat its people in a democracy, I think that we have been successful, and we are not going to (?stray from that line). We will remain within that line. [end recording]

Thus spoke the president of the military government, Gen Prosper Avril, Friday evening during an interview granted to RTNH Justice, human rights, democracy—Prosper Avril feels that after 6 months of leading Haiti, his government has honored its promises, although he acknowledges, of course, that there have been a few minor slipups. Prosper Avril feels that the forum that brought together 28 political leaders to discuss the nation's matters constitutes a victory for the current government, and also constitutes sound proof of the government's desire for dialogue.

The reinstatement of the Constitution of 1987, with 36 articles temporarily shelved—a controversial subject that has been front page news for the past few days—is a response to the needs of the juncture.

Prosper Avril declared: I have not amended the Constitution. We have merely put on ice, temporarily, certain dispositions incompatible with the current form of government, a military government.

[Begin Avril recording, in Creole] They have been doing a lot of talking about that. In a way I don't understand. I mean, we see that at one time a head of government, through a simple message, said the Constitution was no longer in effect, and everyone accepted it. They went home and said: OK, we don't have a Constitution any more. Note well—a mere message! And now I issue a decree in order to reinstate this Consititution—of course we had to remove articles that are incompatible with the presence of the military government—and some people went ahead and talked anyway. I am prepared to explain exactly why certain articles have been put on ice. [end recording]

According to Prosper Avril, one of the military government's objectives is also to satisfy the primary needs of the underprivileged class, to narrow the existing gap between the better-endowed and the deprived. Avril thinks that the first problem that must be resolved is the problem of hunger. This is indispensable for the organization of honest elections in Haiti.

Avril also referred to the nation's disastrous and chaotic situation on the political and economic levels. There is no foreign aid; nevertheless, the government is obliged to repay the debts incurred by the Duvalier government.

[Begin Avril recording, in Creole] Our problem is that—and we must never forget this—the Duvalier government had received a great deal of aid. And now we have to repay this aid. No one has given us any moratorium. No one has said to us that, aw heck, since no one knows how that aid was spent, they are going to give us a break and not make us pay it back. No one has said anything like that! Not only are we not receiving any aid but we are repaying debts incurred for aid given in the past. We ourselves, in the time that we have been here, have paid back some $30-40 million worth of debts—from September to today.

I don't know how much we have received. The streets can perhaps tell us how much we have received?

Nevertheless, at the same time, we are supposed to set up an economic policy that will permit the people to breathe. Even if it does not permit them to eat, at least it must allow them to obtain a little oxygen to breathe.

Everyone is watching us to see how we are are going to handle this. Of course, they are asking us to hold elections—as if elections are going to solve the problems of someone who is hungry! We do want to hold the elections. Really we do. But I think the priority was to give the people food to eat! [end recording]

The matter of contraband was also discussed by the president. Not only does contraband prevent the government from collecting the funds with which to run the country but also destroys, devalues, what the peasants produce.

Insecurity was another point discussed by the president, who explained that efforts are being made to track down criminals.

[Begin Avril recording, in Creole] We have found temporary solutions to the problems we had in increasing the number of patrols. Because, imagine, the police had 10 vehicles that it used to send out on patrols, and now there are almost 60 doing it. Automatically, there are (?recurrent) costs. These are costs—how could I explain it—now they need money for more gasoline, more [words indistinct], more maintenance, and more this, that, and the other! When they are in a pinch, when they don't have enough money, there is a little slowdown in the patrolling—which made those doing such things feel a bit more comfortable. However, we made an effort and redoubled our vigilance, and as you can see, it [crime, insecurity] has diminished. [end recording]

Regarding the relations between the Dominican Republic and Haiti, the president explained that it is up to the nation's citizens to offer here, in their own country, the means of living decently—so that our peasants will not be obliged to go to the Dominican Republic on their own free will, or go risk their lives on the open sea in search of a better life. How does the president of the republic think we should look upon the question?

[Begin Avril recording, in Creole] We must take a look to see how we can improve the lot of our peasants in the area along the border, and our peasants along the coast—who take to the sea, who take off. They get there. Some die along the way. The rest of them, those who didn't die, are repatriated, brought back here, and then they go right back off again. This means that the problem lies with our country, too! So, it doesn't much help to sit around and complain about their going. We must also see how we can, together, improve our situation—for, it looks to us as if, if we are waiting for help from abroad, it looks as if nothing is going to get done. [end recording]

That, then, was the report on the interview granted our RTNH colleagues by President Avril.

During the interview, the president also gave his opinion of the meeting last week of former members of the 44th legislature. We will tell you about it following these messages. It is 1212 and 37 seconds.

Saint-Louis Refutes Comments

FL2103175389 Port-au-Prince Radio Metropole in French 1700 GMT 20 Mar 89

[Excerpts] Before the commercials, we were talking about the interview President Avril granted our RTNH colleagues last weekend. The president also made statements regarding last week's meeting of former members of the 44th legislature.

During last Thursday's meeting, the parliamentarians had demanded their powers, in the name of the Constitution of 1987. President Avril condemned their intiative. (Smoy)?

[Metropole reporter (Smoy)] The former deputies and senators of the 44th Legislature protest. They contest a statement made by the president of the Republic last Friday during an interview over RTNH. The president accused the former deputies and senators of demanding a constitution that they themselves contributed to trampling. [passage omitted]

[Begin Avril recording, in Creole] When you hear these guys saying they are going to meet and stuff like that, they are playing around with serious stuff! They are seeking to cause tumult in the country for nothing! The article [111.8] has been put on ice. As a matter of fact, there is no parliament! All the members of the parliament had presented their resignations. I was there at the National Palace, remember? It was when a decree was issued saying that the parliament was dissolved that they should have met to see if they would accept the decision or not! But no. They all came to the National Palace to say: Thank you very much. That's one thing.

Secondly, they accepted jobs. They were all development advisors, development coordinators going all over the country right and left, etc.

So now, after having presented your resignation, after having accepted a job in the public administration from the former government, now you show up and claim to still be a deputy or a senator? This is called people playing games—and with serious matters, for as far as we are concerned, national business is serious stuff. One does not play with it! [end recording] [passage omitted]

A reply was not long in coming, and it was voiced by Jacques Saint-Louis, the former president of the Chamber (?of Deputies) and former vice-president of the National Assembly.

[Begin Saint-Louis recording, in Creole] The general said that they had resigned, and that instead of getting together to contest the decision to dissolve the National Assembly they went to the Palace to say: Thank you very much. Well, I have come to formally deny all this. There was never anything like that.

After the departure of President Manigat, the Chamber of Deputies decided to go up to the Palace to find out what General Namphy had decided. When we arrived at the Palace, the general told us that he would let us know what was up. And as we were on our way from the National Palace to the Legislative Palace, we heard, over the radio, the decree dissolving the two chambers and thus automatically abolishing the Constitution.

Upon arriving at the Legislative Palace, everyone was indignant. Everyone wanted to react. However, upon remembering that on the night of the events, Gen Namphy appeared over television with an Uzi in his hand and said that it was with that that he was going to settle Haiti's problems, they asked themselves what kind of weapons they themselves had in hand with which to go and contest a decision made by the Army in power. That's the problem!

Now, they accepted positions as development advisors. Why?

As deputies in a developing country, well, we consider a deputy as having a dual role. Not only is he a legislator but he is also an agent of development. That is to say, not only does he legislate—make laws—but from time to time, it is he who has to go out and knock on a ministry's door, or go to a nongovernmental organization, to try to see if he can obtain a development project for the different areas.

Well, when they talked about the little projects, the deputies saw that it was a way to effect a number of little timely interventions to improve the living conditions of their respective constituencies. [end recording]

Article 111, paragraph eight, which has not been put on ice, is thrust forward by the former members of the National Assembly. This article says that the Chamber of Deputies and the Senate may not, under any circumstances whatsoever, be dissolved.

The dissolved National Assembly also brandishes Article 92, paragraph three, of the restored Constitution, in order to declare that any regional election would be unconstitutional, and that under this article, the legislature must be renewed every four years and not before.

Another statement by the president considered shocking by Jacques Saint-Louis was when Prosper Avril said that the initiative of the "ex-" National Assembly is aimed at causing disorder.

[Begin Saint-Louis recording, in Creole] The president says that we want to create tumult. I say no. On the contrary, we are trying to avoid all those problems—because I see that if the legislature does not return, this country is heading straight for problems.

The president also says that we are playing around with serious stuff. Why, this is not true at all! What we have decided to do we got, precisely, from the Constitution. It is the Constitution we are observing here! It's just that, for example, I myself, personally, as a concerned citizen, as a member of the constitutional assembly, as a deputy and president of the chamber of deputies, well, I am determined to shoulder my responsibilities—because I see that if I don't, this country is going to have problems! [end recording]

Jacques Saint-Louis invites the president of the Republic to revise his position, to take another look at the Constitution—because in his opinion, the only way out of this situation is to reestablish the two legislative chambers.

We point out that a second meeting is scheduled for this week. More precisely, the former deputies and senators are expected in front of the Legislative Palace at 1000 tomorrow [21 March].

Democratic Bloc Reacts

FL2103130689 Port-au-Prince Radio Metropole in French 1700 GMT 17 Mar 89

[Excerpts] At the beginning of this newscast, we mentioned the stir caused throughout Haiti by the temporary shelving of 36 articles of the Constitution by the Avril government. Well, yesterday the members of the 44th legislature rose up against this decision, as did the members of the Democratic Bloc, who held a press conference yesterday morning.

The members of the Democratic Bloc showed their disunity publically, for Eddy Volel of the RDC [Christian Democratic Assembly] was to resign from the Bloc shortly after the meeting, after a public quarrel with Lina McNally.

We thought that the members of the 44th legislature had forgotten about the senator and deputy cockades they wrenched from the 17 January 1988 elections. It took the initiative of Jacques Saint-Louis, former vice-president of the National Assembly, for us to note that this was not the case.

Coming from all the nation's geographical departments, 38 senators and deputies Thursday responded to the summons to a special session issued by the vice-president of the assembly dissolved since 20 June 1988. They were summoned to come rule and give their opinions on the ways and means of a return to legality. [passage omitted]

However, after the coup d'etat against President Leslie Manigat, the legislature was dissolved by General Henri Namphy—and certain of its members were members of the coordination offices for the projects that were instituted by the overthrown general.

Today, they explain, we have assembled in order to make the government respect the Constitution to which we have all sworn to be loyal. [passage omitted]

[Begin unidentified speaker recording, in Creole] We ourselves were awaiting only one thing, and that is what has been done, and why we have gathered here today. We were waiting for them to one day reinstate the Constitution, so we could come back here. And we (?consider) that it has been restored in its entirety.

Now, regarding President Manigat, well, he is not in the country. However, as I pointed out earlier, he did not resign. They grabbed him, took him to the airport, put him on a plane, and shipped him away. Now, as far as we—as a branch of the government—are concerned, we have done what we are supposed to do. And as for Manigat, it is up to him to know what he should do. [end recording] [passage omitted]

Although no decisions were reached at this first meeting on 16 March—because there wasn't a quorum—the senators and deputies are to meet again, in a second attempt—perhaps at the Legislative Palace, or, if not, at the Holiday Inn—this time in the presence of the diplomatic corps, which (?will be) invited.

The meeting is scheduled for next Tuesday, 21 March. [passage omitted]

Although the members of the Democratic Bloc agree on almost all points, there is one point on which they are clearly divided: the matter of participating in elections. [passage omitted]

These differences over the matter of participating in elections and other points in litigation burst out into the open Thursday during the press conference at the Oloffson Hotel. [passage omitted]

A few minutes before the end of this press conference, Lina McNally of the Coordinating Committee of the Democratic Forces and Eddy Volel of the Christian Democratic Assembly almost came to blows over a matter of little account. There was an emphatic and nasty exchange of words between them. Each hurled accusations at the other. [passage omitted]

A few minutes later, Eddy Volel announced, in a press release, his party's withdrawal from the Democratic Bloc and from the Coordinating Committee of the Democratic Forces headed by Lina McNally. [passage omitted]

Political Leaders Give No Support to Legislators

FL2103183289 Port-au-Prince Radio Metropole in French 1700 GMT 20 Mar 89

[Excerpt] The position of the former deputies and senators gives rise to negative reaction from the political class. Rothschild? [Metropole reporter]

[Rothschild] Well, Ketly, the initiative by the former parliamentarians has not yet received any support whatsoever from any political leaders.

Gilles Hendrick of the Liaison Committee of the Democratic Forces last Saturday termed "pure comedy" the decision by the former members of the 44th legislature, who want to once again tread the Legislative Palace's red carpet.

Here is the reaction of Panpra's [Nationalistic and Progressive Revolutionary Party of Haiti] Serges Gilles, who calls the decision by the former members of parliament "political childishness". [passage omitted]

Human Rights Members to Election Council Chosen

FL2103182689 Port-au-Prince Radio Nationale in Creole 1400 GMT 21 Mar 89

[Excerpts] In connection with the formation of the Provisional Election Council that is to organize, in a fully independent manner, the next elections in Haiti, it is Mr Jean Gerard Pierre, coordinator of the Petion-Ville Citizens Movement, who is going to represent the human rights organizations on the Provisional Election Council. We remind listeners that the deadline for all who are supposed to send representatives to the Provisional Election Council is tomorrow, 22 March. [passage omitted]

Thus, we learned over Radio Soleil last night that it is Mr Jean Gerard Pierre, coordinator of the Petion-Ville Citizens Movement, who is going to represent the human rights organizations on the Provisional Election Council.

Further on Election Council

FL2103201589 Port-au-Prince Radio Metropole in French 1700 GMT 21 Mar 89

[Excerpts] Two associations have already given the Justice Ministry the name of their representatives to the future election council. [passage omitted]

Some 24 hours before the deadline, the human rights organizations and the National Council of Cooperatives have designated their representatives as Jean Gerard Pierre and (Arcange Leon Pierre Dechanel), respectively. [passage omitted]

Arcange D. Leon [name as heard] and Jean Gerard Pierre are, up to the present, the two names that have been given to the Justice Ministry to be a part of the new Provisional Election Council. [passage omitted]

Radio Soleil Director Comments on Management

FL2103122289 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 20 Mar 89

[Text] In a letter dated 16 March sent to the provincial Father Superior of the Scheut Order, Father Guido Van de Kanpt Delare, the Episcopal Conference of Haiti [CEH] said that in response to (?his) request that there be a dialogue with Radio Soleil director Father Hugo Triest, and that regarding the proposal that Father Hugo's contract as director of Radio Soleil be extended while the CEH seeks an appropriate solution to the radio's crisis, the CEH has formed a committee to study the measures they must take between 16 and 31 March, the day when Father Hugo's contract with Radio Soleil ends. According to the letter, this committee is to meet with the current director in order to prepare with him, the transfer of the radio station's operations to a director whom they are going to appoint and who will be a member of a council that the CEH is going to form.

Father Triest, Soleil's current director, is going to provide some explanations regarding Radio Soleil's situation as of 6 March, when the radio station's watchmen out in the plain [the Plaine du Cul de Sac] decided to turn off the radio's transmitter.

The reason for Father Hugo's statement is very clear. It is meant to prevent any confusion on the part of everyone paying attention to all the journalists who might write, or who have already written, about the Radio Soleil affair.

[Begin recording] [Father Triest] To all listeners of Radio Soleil, honor and respect. I have come to request your attention in order to explain something of importance for everyone who cares about Radio Soleil.

People have been asking us for some time: What is going on within Radio Soleil? What is the problem? This question arose after the CEH issued a communique over Radio Soleil last 27 February in which they spoke of my resignation. Many people asked what that communique meant—what its significance was.

After that on Monday, 6 March, the employees who guarded the transmitter on the plain paralyzed the radio's operations because they disagreed with a decision that I, the director, had made. Many people asked for an explanation. Newspapers wrote and commented. That is why I have come to talk to you today—to provide an explanation that is based on the letter I sent to the CEH last 11 March and which my provincial Father Superior sent to the bishops, together with his recommendations for my work with the radio, and that is based on a contract drawn up between the Scheut Order and the CEH. I feel I have to inform public opinion as to what happened. First, I will read you the 11 March letter, in which we made the proposal to the bishops.

[Announcer] The letter says: Dear Provincial Father and Council. I would first like to talk about my resignation. I would like to say that it was never my intention to cause any kind of trouble or disunity at Radio Soleil. Anyone who takes the time to read my letter to the CEH dated 25 April 1988, which (?was accompanied by) a letter from my provincial Father Superior dated 11 May 1988, can see that it was not just a matter of presenting my resignation the way the CEH communique dated 27 February said.

In my letter, I said I wanted the radio to continue to progress, even if I wasn't there. That is why I made a proposal as to the manner in which I could be replaced. At the same time, I also explained why I was taking that initiative at that particular time.

We must point out that those letters, which were written in April and May, were not answered until 20 December 1988. In that answer, contrary to what is said in the third part of the CEH communique, the CEH says (?it) greatly regrets not accepting to renew the contract. However, the CEH asks the provincial Father Superior of the Scheut missionaries to give Father Hugo the time necessary for him to integrate his replacement, (?who will be) appointed soon.

Since the CEH agreed to break the contract, while asking me to continue to work at the radio station after January 1989 without any contract and without saying for how long, my provincial Father Superior, with my consent, wrote the CEH a letter on 29 December. Here is what that letter said: In order to avoid having Father Hugo continue to work as Radio Soleil's director after January 1989 without a mandate because of the contract not being renewed, we propose that the contract be extended for 3 months.

It was always our intention to protect (?the radio's property).

Secondly, I (?was trying) to make a proposal that I thought might solve the problem existing between the CEH and the radio. After (?everything that has) happened—and everything that has been said since I met with the CEH and with Radio Soleil's board of directors last 26 January—I proposed to you that you extend my contract as director of Radio Soleil until a reasonable solution that will permit saving Radio Soleil's interests and property has been found. I proposed that my contract be extended until the CEH found a definitive solution. Appointing of a temporary director could lead to a number of problems, especially since to this day I have never as yet had any contact with the new temporary director. Msgr Laroche says, in a letter signed by himself, that the CEH has appointed a director, and that same letter said the new director should have begun work on 1 March.

I think we can come up with a solution, and I agree to play an active role in the preparation of my replacement. The situation is serious—very serious. The way things are today, we cannot shut down the radio without bringing about a reaction by the population, and a number of specific groups might take advantage of this situation to defend their own interests. Too quick a reform in the radio's programs, in which there might no longer be a place for the popular broadcasts, will bring about the same kind of reaction. A solution to the problem Radio Soleil is facing can be found if only we can set up a true, regular dialogue—a dialogue based on method—between the (?CEH and the administration of Radio Soleil) on the one hand, and the administrative committee and the members most involved in the broadcasts on the other. The solution lies in the reaching of a consensus on the objectives of the radio station's programming. In order to do the work of the sessions and meetings that we must organize, we could seek the services of a moderator competent in social communications and radio production.

The situation is delicate. The 4 March letter from Mrs Fritz Mevs, vice-president of Hasco [Hatian-American Sugar Company], announcing that they do not intend to renew the lease for the land on which the transmitter is located in (Trouitier), is one more headache for the radio station.

The problems that exist between the CEH and Radio Soleil should never have allowed any government or private group to manipulate the church. This is not a battle in which one party seeks to impose on the other a different line, in order to cry: Victory! What is most important is that the truth and the Gospel's values appear clearly, for the good of the entire church—not just for the good of the bishops, nor just for the good of any group of individuals whatsoever, but for the good of the entire church of God's people.

I must add that I am sorry, but even if I appear hard-hearted, my proposal does not allow for Mr (Ramotus's) returning to the radio.

I hope, my colleagues, that you will support my proposal and send it on to the CEH.

[Father Hugo] Friends of Radio Soleil, the letter you just heard was sent to the CEH by my provincial Father Superior, and he sent along with it a brief letter that I am now going to read for you. The letter says:

Monsignors: In the letter he sent you on 11 March 1989, Father Hugo told you how concerned he was over Radio Soleil's future. We took note of what he said, and we feel it is our duty to submit his letter to you so that you can examine it during the CEH meeting. The radio's future constitutes a matter of conscience for Father Hugo, as it does for us. That is why we have taken the liberty of asking you to allow Father Hugo to meet with the CEH, so that peace can return to all consciences thanks to a fraternal dialogue.

Father Hugo's proposal is important, and we strongly support it. That is why we are insisting on this request for a dialogue—so that the people concerned, the radio and the entire church, can benefit from the results of such a dialogue. We pray you to trust, Monsignors, in our love for the church.

Friends of Radio Soleil, on 16 March, the CEH informed me, in a letter that the CEH sent my provincial Father Superior, that the CEH had formed a committee that is in charge of studying what is to be done from today to 31 March, the date of the end of the extension of my contract. This means that the CEH did not accept the proposal I made in my 11 March letter, a proposal I believed was in the interest of both the church's radio, which is the radio of God's people, and the entire Haitian people. Thus, I am leaving the radio next 31 March. It is true that I asked for a replacement, but I never would have believed that it would be under such conditions of confusion, lack of dialogue, and lack of trust that this would be done, because I never failed to seek dialogue between the bishops and the Radio Soleil team. Friends of Radio Soleil, I ask you to, in all the talk there may be about the radio.... [rephrases] I hope that you will seek what is always good for the radio and what the radio should do for the Haitian people.

Let us pray hard so that the radio will always remain the radio of God's people. Thank you very much. [end recording]

Demonstration Planned for 22 Mar in Cap-Haitien

FL2103180889 Port-au-Prince Radio Metropole in French 1700 GMT 20 Mar 89

[Excerpts] In Cap-Haitien, the committee for the coordination of neighborhoods is planning a demonstration to protest the high cost of living and insecurity in Cap-Haitien.

[Begin correspondent's report] A committee for the coordination of neighborhoods [une comite de coordination des quartiers] is planning a popular demonstration for Wednesday 22 March, 1989 in Cap-Haitien. There are several basic reasons for this demonstration:

A. the electricity crisis in Cap-Haitien and several surrounding areas; [passage omitted]

B. the rising cost of living, which has resulted in a spiraling increase in the cost of consumer products of prime necessity;

C. the insecurity that the little cocaine mafia [preceding word in Italian] has caused, which has disturbed the bucolic lifestyle of the population.

(Max Montreuil), the head of the committee for the coordination of neighborhoods told us that this insecurity is the essential problem against which we are going to demonstrate.

[Begin (Montreuil) recording] The problem is that drug dealers [preceding word in English] are taking over the town, and they think they can control Cap-Haitien. Now, I'll say it again, just as I always have: My name is (Max Montreuil); I am the coordinator of the neighborhood committees. I don't think I can allow the neighborhood committees to be made to suffer by (?two-bit scum) who get it into their heads that they can, with the complicity of—oh,I don't know! I don't even think they have the complicity of the authorities, for I know it is crazies who do these things!

In any case, here we are! We are going to strike [frape], in order to get rid of this climate of insecurity! [end recording]

Weekend Violence Reported in Gonaives, L'Estere

FL2103181789 Port-au-Prince Radio Nationale in Creole 1400 GMT 20 Mar 89

[Report from Gonaives correspondent Bredy Delva]

[Excerpts] One person dead, 14 others seriously wounded, and 6 houses set on fire was the toll noted Sunday, 19 March, following a clash between two Rara groups [groups of revelers that traditionally appear between Lent and Easter] from the (Jubile) section [of Gonaives] on Saturday, 18 March. The clash was between the groups named La Fleur de Bien and La Fleur (Auguste); the latter is Jean Tatoune's group.

We interviewed one of the victims who is going to tell us how things were.

[Begin unidentified speaker recording] There was a little guy (?named Eliphete) who is in troisieme class [the third from last class in the Haitian system] in secondary school. He was (?teaching) at the center. They went in there and (?chopped him up) with machetes. He is now in the hospital with intravenous in his arm.

Another guy, [name indistinct], was inside his house. They tore off his trousers and chopped him up with a machete.

Another lady, whose name is [first name indistinct] Joseph,—they chopped off one of her ears. A man named (Baras) got one of his ears cut off (?and) got chopped up with a machete. There was one guy, who is not from around here. As they passed by him they killed him with (?seven) blows from a machete. [end recording]

We must also point out that while these men were committing all these acts of pillaging and vandalism, no forces of order went to the scene to put a stop to it.

We will continue talking about clashes. [passage omitted] One person died and several others were wounded in a clash that occurred on Saturday, 18 March between two clans in l'Estere.

A police source told us that the sergeant at the police outpost in l'Estere has asked the Toussaint Louverture Barracks in Gonaives to send reinforcements because there are rumors to the effect that there is going to be a clash between the partisans of the (Bricourts) and the people in the little village called (Pointe des Mangues).

Observers say that the authorities must take measures to prevent still more people from dying, because one of these days we are going to wake up to find that l'Estere has turned into a (?bloodbath). We would not like to see this happen.

This is Bredy Delva, RTNH, Gonaives.

El Salvador

Cristiani Holds Postelection News Conference

PA2103225489 San Salvador Radio Cadena YSKL in Spanish 0200 GMT 21 Mar 89

[News conference by ARENA presidential candidate Alfredo Cristiani with unidentified reporters; date and place not given—recorded]

[Text] [Reporter] Good afternoon [words indistinct]. I would like to ask three questions about your platform: How will this peaceful and political cooperation between various groups materialize? [Words indistinct] the state's role and the reinforcing of the economy entail privatizing banks and revising the agrarian reform policy? Third, what was the role of women and youth in your victory, [words indistinct] the role that women and youth will play in your government? Thank you for listening to all three questions.

[Cristiani] The first question involves three different aspects. I believe that in El Salvador, unlike in other countries, much harm has been caused by fanning class hatred. Confrontation has gone beyond acceptable limits. Of course, there is always disagreement between various sectors. In El Salvador this confrontation has gone beyond certain limits and it is obvious we have to reduce it. A deep political rivalry has existed in the past between the Christian Democratic Party [PDC] and the National Republican Alliance [ARENA]. And then there is the Farabundo Marti National Liberation Front [FMLN], which has opposed all groups.

I think, however, that much progress has been made. It is with examples such as those set today by [PDC presidential candidate] Fidel Chavez Mena and [PDC vice presidential candidate] Francisco Barrientos that we can gradually become aware that, although we have been political rivals and opponents during the campaign and criticized each other harshly, we are all Salvadorans and can have a constructive, cooperative opposition once the elections have taken place. I would also like to explain what could be done with the rest of [words indistinct] who have been confronted almost on purpose [words indistinct].

In addition, in my telephone conversation with Chavez Mena, we did not discuss who would participate in the government or how. I said we intended to have a participatory government and that the PDC is the second largest political force—a considerable one, as it received 36 percent of the vote. I also said we did not intend to keep them from participating. The opposite is true. I think the conversation laid the groundwork for possible future talks. We had a friendly conversation.

As for the FMLN, I think the efforts begun in 1979 must be continued. For the first time, that organization has expressed its willingness to join the Salvadoran democratic process. We have yet to confirm the FMLN's sincerity. They have said they do not agree with the procedures involved in the democratic process. We believe, however, that the FMLN does not have the exclusive right to establish the rules of the game. There are 14 other political groups. Rules that everyone can agree on should be established. This is what should be sought.

Obviously, the Executive Branch must take action in several other areas related to the search for a peace agreement. An amnesty is no doubt a fundamental element in a final agreement. So are the role of the Armed Forces and the possibility of ending hostilities, together with the way in which the country is to be demilitarized, so to speak. The legislative branch also has a role to play in this if agreements are reached. Given that our Constitution allows the open expression of all manner of ideologies—for ours is a pluralist Constitution—we have always thought that the goal is to provide a political opening for them [the FMLN]. It is entirely up to them whether they use that opening or not, whether they support the Democratic Convergence [CD], or whether they decide to go it alone. We hope that they decide to use that opening rather than to continue spreading violence. I believe that political parties should act this way. There are many other ways in which political parties can take part and make all political forces and sectors take part.

It occurs to me that the entire Salvadoran judicial system needs improvement. The judicial branch needs revitalization. We need to improve the country's administration of justice. That is something that lies beyond ideological boundaries and any differences we might have, and that is something we can all work toward achieving, regardless of political beliefs. That is the kind of participation that our government hopes to achieve—one in which we all make an effort and one in which we all reach a consensus for our country's benefit.

Regarding economic issues, our party obviously believes in the benefits of a market economy. In our party platform, we have supported the socialist market economy in the belief that economic development is not an end in itself but a means—a means of bringing the greatest well-being possible to the greatest number of our nation's citizens. In that respect, we believe that we are currently very far from that goal, since the government controls 60 percent of the nation's economic activities.

The government exerts this control to a large extent by controlling the banks and monopolizing the domestic and foreign trade of leading Salvadoran exports. We believe that we should begin the process of privatization in El Salvador. We do not think we can do everything all at once. Otherwise we would create a traumatic situation and make it seem as if we were working at odds with each other. We have to set very clear goals and objectives and start taking actions to accomplish them. Regarding the economy, however, the productive sector should understand the rules of the game very clearly. In addition, the government should support the productive sector rather than hamper that sector's activities. This is what our administration intends to do.

I think you specifically mentioned banks. Banks have several problems, particularly a large debt. Without having at my disposal figures to which only the government can have access, I would say that a financial analysis would indicate that many of the banks are bankrupt. If we were to try to establish a parallel private banking system, there would immediately and certainly be a large-scale transfer of the nationalized banks' deposits to private banks. This would lead the nationalized banks into bankrupcy and endanger the depositors' money. We believe that there should be a privatization process. However, we first have to put existing banks in good financial order. Once this has been done, the state should get rid of the bank shares it possesses. These shares should be sold to the same two groups who already own part of these shares—to bank employees and to those who own a minority of them.

Meanwhile, financial institutions that do not compete for deposits can exist. Some groups in the country have already said that they are willing to invest in such a project. In addition, we think that we have to strengthen the banking system. This is part of what you referred to with regard to [words indistinct]. We think that there is a sort of a gap in banking services. Private commercial banks would rather make fewer loans that can to a large extent be recovered. This, however, excludes a large number of people who also require credit.

There is room here for a national banking system to develop the various sectors. It would be aimed at granting credit to various sectors; i.e., small business owners and small entrepreneurs engaged in farming, industry, or any other type of activity.

If I am not mistaken, the last question dealt with agrarian reform. We believe peasants do not feel like owners, and that is the fundamental reason for the low productivity of the cooperatives that have been created with the reform program. Furthermore, this failure to feel like owners is keeping them at the same level as when the reform began. We believe we must give the peasants who benefitted from this process the real right to the property. I am talking about a real right to the property, and not just the granting of a title to a piece of land. It has to be a real right. In this sense, we think they must decide how to organize themselves and determine how they will feel better—what will make them feel like owners and be more productive.

There are several options. One would be for them to remain at the cooperatives but not under the control of a state institution. In this case, they would have free access to any type of advice that they want, and the government would limit itself to supplying training and nothing else. If any of them want to remain as they are, that would be just fantastic. However, this would be a free choice. Of course, the people would have shares of stock in the cooperative. This way the peasants will feel they have a real right by owning shares in the cooperative. In addition, this right would be transferable to their family or children through inheritance.

Second—and to the other extreme—there is the case of a private, individual title granted to a person who says: I want my own piece of land and do not want to have anything to do with the rest of these people; just give me my own land. This can also be done, but this option would be restricted to the limit prescribed in the other phase of the agrarian reform—what we call Decree No 207. There would be an intermediate option—a mixed option—which has already been tried in the past by organizations like the Salvadoran Communal Union. I do not like to call it a subsistence title; here we call it a subsistence plot. This means creating a rural community with a tract of land that would allow a peasant to not only have a home but also to have a small cornfield or a [word indistinct] for his own use. He would have a cow and a hen to lay eggs and provide meat; that is, something to allow him to subsist. The rest of the land would be used in a cooperative manner.

As I said, this system has already been tried. It has the great advantage in that by uniting the peasants into rural communities, services can be supplied more easily to the communities. The fact that peasants are gathered into communities creates other types of progress, which members can share and benefit from.

Lastly, we definitely think women must be integrated into El Salvador's economic, political, and social development. Women are heads of household in 40 percent of Salvadoran families. This has a direct bearing on education, cultural, and health programs and, in a nutshell, on a full range of areas in which we can make it easier for them to be heads of household. Of course, this does not just apply to women. It involves strong support for the unity of the family through education and culture, because this prevents this evil from continuing to exist in the future.

Women are the majority sector—so to speak—in El Salvador because there are more women than men in our country. I do not know if it is because many men have gone to the United States to work and the women have remained in El Salvador. However, I do not think so. I think that, overall, it is not due to this but simply that there are more women. However, we do have to make women an integral part of the country's development. My wife and Mrs Merino already have made some plans for the Family Office, which already exists. Excuse me, the Women's Office. (?Now I know) [words indistinct] [applause]. Greetings to them. They have our deep recognition of this democratic calling they have demonstrated despite the tremendous difficulties they faced to express their will. I want to tell them that our objective will be, as I said at the beginning, to let the people be the only winners of this election.

ARENA's Merino on Election Results

PA2203005389 San Salvador Radio Cadena YSKL in Spanish 0220 GMT 21 Mar 89

[Interview with ARENA vice presidential candidate Francisco Merino by unidentified reporter on 20 March; place not given—recorded]

[Text] [Merino] We have listened carefully to what the PDC candidates and Central Electoral Council [CCE] members have had to say. We have also heard the concerns expressed by international observers and correspondents regarding the number of votes obtained during yesterday's elections. I wish to comment briefly on this.

First, I would like to say that the gesture of the other party—in this case the PDC—in acknowledging the election results is undoubtedly a first in Salvadoran history. It is the first time in the history of El Salvador that a ruling party publicly acknowledged the victory of an opposition party, and I think it would be good for the friends who honor us with their presence as observers and correspondents to make note of this and to acknowledge that the Salvadoran democratic process is making progress thanks to the political will and maturity of the leaders of various political parties. This gesture on the part of [PDC presidential candidate] Fidel Chavez Mena and [PDC vice presidential candidate] Francisco Barrientos must not go unrecognized, because it marks a first in our electoral history.

Similarly, as Salvadorans we must all be proud of the 19 March elections. When the event is analyzed or written about, we will hear opinions on how the election process could have been improved, but for all Salvadorans—not only for ARENA; I am also including the PDC, the PCN [National Conciliation Party], the MAC [Authentic Christian Movement], and the CD, among others—the 19 March election is an event we can all be proud of. As of now, we can state that the number of voters and the number of valid votes is consistent and thus legally validates the government chosen by the Salvadoran people. The percentage of voters since 1985 has been fairly stable. We have had approximately 1 million voters. It was this way in 1985, 1988, and yesterday.

The idea was to allow all eligible Salvadorans to vote legally. The CCE, once this process has ended and the official results are released, must continue its efforts to purge the election lists. The Salvadoran people can proudly say that their election list system—its technology and purity—is the second best in the region. We feel that comparing the number of valid votes with the number of potential voters could present a problem, because a mere 2 or 3 weeks before the elections the CCE was still issuing voter identification cards in an attempt to allow a greater number of citizens to exercise their right to vote.

Another first in our history was the agreement signed by our party and the PDC. In an attempt to strengthen democracy, President-elect Cristiani and Fidel Chavez Mena signed an agreement for temporary amendments to the Electoral Code, making it possible for the CCE to continue issuing voter identification cards after the legal deadline. This agreement also made it possible to reach a bipartisan agreement to purge the election lists.

Some political leaders have already said that the transportation stoppage may have been particularly helpful to one party. I wish to say that the stoppage affected all parties; to prove that no one party benefited from this, I will add that in 1989 we surpassed the number of votes cast in 1988. In 1982 our party received approximately 330,000 votes; this year we will surely receive more than 500,000 votes.

It is obvious that this tendency will continue if there are more votes and if our party's strength grows proportionately. According to the figures I have, approximately 80 percent of the votes have been counted and our party has 428,289 votes thus far. If this tendency continues, ARENA should get more than 500,000 votes. This is more than what we obtained last year, when we won 425,000 votes. This means that we have had sustained growth.

Finally, we want to express our willingness to cooperate with the Duarte administration for the remainder of his term in office—until 31 May. As good Salvadorans, we believe that we are obligated to help the president form the basis for a national economic and social recovery and to face all the problems affecting our people.

Our party, which has a majority representation in the Legislative Assembly, has made this position very clear. The Legislative Assembly president agrees with us and has informed President Duarte and the nation of our willingness to support the government's efforts. We—President Cristiani and ARENA—are willing to make every effort, now that the elections are over, to contribute to the implementation of programs aimed at improving the situation of all the Salvadorans. We expect that as of 1 June, they will reciprocate by helping our government resolve our people's problems. We wanted to make our assessment of the situation very clear: The 19 March elections are a source of national pride. This is also the opinion of other political parties, as demonstrated by the PDC candidates' statements.

Perhaps because our strongest rival in the elections has always been the PDC, I inadvertently failed to thank three other political parties that also congratulated us over the election results. I refer to the MAC, the Popular Union, and the Renewal Action Party. These parties congratulated us either yesterday or this morning. I also want to point out the democratic spirit they evinced by acting this way.

[Reporter] What was the voter turnout rate or the abstention rate?

[Merino] I would rather tell you about the percentage of votes by which I was elected. It is always very difficult to say exactly what the total number of votes was, because not all the data has been entered into the computer yet. The potential number of voters is approximately 1.8 million. We believe that approximately 1 million people have voted. This is the same number of people who voted last year. This would mean that 60 percent, or approximately 50 percent, of the people voted, despite the problems existing in many places.

It is difficult to provide exact figures at this time. It is worth pointing out that in last year's elections many votes had to be challenged and many voided. This happened because a number of voters went to the polls, received their ballots, and deposited them in ballot boxes without marking them at all. In these elections the percentage of such votes was minimal. Last year there were 110,000 such votes. This year I believe this type of vote will not reach the 10,000 mark. This means that those who went to vote had more definite positions. It is possible that sometime tonight we will have the final results in our computer center. If not, then tomorrow we will find out the precise number.

Cristiani on U.S. Role, Future Cabinet

PA2103212689 Panama City ACAN in Spanish 1858 GMT 21 Mar 89

[Text] San Salvador, 21 Mar (ACAN-EFE)—El Salvador's apparent president-elect, Alfredo Cristiani of the rightist ARENA, said today that his administration will not allow the United States to become "directly" involved in Salvadoran affairs.

"We will not allow direct U.S. involvement in El Salvador," Cristiani told the media. Cristiani believes that "the Salvadoran people are sovereign and must be the ones to find a solution. This is not a task for foreign countries."

Cristiani criticized the PDC headed by President Jose Napoleon Duarte for having permitted "the direct participation of the United States in national life." He said that this was one of the biggest errors committed by the PDC. In a clear reference to U.S. policy in El Salvador, Cristiani said: "El Salvador must solve its own problems. It is not another country's laboratory."

The ARENA leader affirmed that "the United States will continue to help El Salvador and will not interfere to change the sovereign decision that the elections have made evident." Following his election, Cristiani said he plans to travel to Europe to "diversify" El Salvador's foreign relations, which right now depend heavily on the United States, which has provided $3.3 billion in aid over the past 8 years.

The CCE has not yet announced the final results of the presidential elections but, based on provisional data, it has acknowledged that Cristiani's victory was unequivocal.

Election officials today began the official tally to proclaim the name of the new Salvadoran president, who must be sworn in on 1 June, when President Duarte will relinquish power.

Cristiani met today with acting President Rodolfo Castillo Claramount, who is acting for Duarte because the latter's health has deteriorated. Duarte has to leave for the United States within the next few hours to undergo medical treatment.

According to Cristiani, ARENA and Vice President Rodolfo Castillo have agreed to begin talks following Easter week "to analyze the government transition."

Regarding his future cabinet, Cristiani said: "So far nothing is firm." The apparent president-elect said: "What is certain is that there will be no squabbles over positions." He spoke in favor of a cabinet composed of "professionals who back ARENA's principles."

He said that "all the political forces will be consulted on major decisions." He noted that "the government team must be united and have very clear principles."

FMLN To Present 'New Proposal' for Talks

PA2203022589 (Clandestine) Radio Venceremos in Spanish to El Salvador 0015 GMT 22 Mar 89

[Communique issued by the FMLN General Command in El Salvador on 21 March]

[Text] The day of fighting that resulted in enormous abstention during the 19 March elections represented an overwhelming victory for the people. This was a fighter's way of repudiating the war elections that were held after the FMLN peace proposal was blocked. It also represented a defeat for the Reagan administration strategy, which was bent on carrying out a deadly war against our people disguised as a hypocritical centrist and falsely democratic Christian Democratic government.

We struggle for a just and negotiated peace with genuine democracy, social justice, and national sovereignty, and we gave a world-resounding blow to the enemies of peace. The thousands of FMLN fighters who fought throughout the country, cities, and interior, (?encouraged) by an unprecedented intensity and simultaneity; the tens of thousands of union members, peasants, students, teachers, displaced persons, unemployed persons, government and municipal workers, mothers and family members of political prisoners and missing persons, members of community organizations, believers and representatives of all the churches who took to the street to demand that the FMLN peace proposal be accepted and who later repudiated the 19 March warmongering elections; the hundreds of thousands of citizens, more than 1 million persons with valid voting cards, who refused to vote, and the more than 200,000 who cast a void or blank ballot—something the CCE, ARENA, and the PDC are trying to hide; the tens of thousands who voted for the CD; and the hundreds of thousands who were not interested in getting a voting card that would allow them to participate in these discredited elections are the immense majority of the Salvadoran people who said no to the counterinsurgency war and yes to a just, political, and negotiated solution to the national conflict. Yes to a real democracy; no to the traditional lie of a vote that only serves to justify and facilitate U.S. military aid, which promotes the continuation of the war and worsens the serious problems of poverty, misery, unemployment, and repression being experienced by our people.

The 19 March elections were held, but hundreds of thousands of Salvadorans who live abroad were kept from voting. Many of these people fled the country because they were being persecuted or because the Armed Forces forced them to leave their homes with their bombings and other atrocities. They are active Salvadorans. Thanks to their work, hundreds of thousands of other Salvadorans, members of their families who have remained in El Salvador, can survive. However, these people were denied their right to vote, a right the FMLN proposal to turn the elections into a mechanism for peace would have granted them.

Mr Alfredo Cristiani has declared himself the winner in an election that saw the largest abstention in these years of war. More than 60 percent of the Salvadoran people did not vote or cast void and blank votes. The votes Cristiani received do not total 20 percent of the Salvadoran people. Many of those who voted for Cristiani were deceived by ARENA's propaganda that promised employment, housing, education, schools, public health, economic recovery and prosperity, etc. Cristiani and ARENA know they are getting a country drowning in an economic and political crisis, with a growing revolutionary war, and they will not be able to keep those promises. No one can do anything without first achieving a just peace. For all these reasons, Alfredo Cristiani's election cannot be considered either morally or politically legitimate.

The truth is that the mission of Cristiani and ARENA is not to bring improvement but rather to further bloodshed and destruction, to replace a worn-out Duarte and the PDC as instruments of a dirty war against the people—a war which has already failed. ARENA and Cristiani are inheriting a country that is much weaker and that has greater disadvantages than the one the PDC inherited in 1980-1982 and in 1984. Today there is an experienced revolutionary vanguard—the FMLN. The FMLN is a solidly unified organization with a highly qualified guerrilla army that increases every day. It is an organization with a broad social base and (?is politically capable), an organization with prestige and with active, extensive, and pluralistic international relations. The recent events have proven that there are two powers in El Salvador: the old military power that weakens and demoralizes, and the new power, built with the people's blood and heroism, which increases and advances.

The FMLN General Command ordered that no voting center be attacked, and not a single one was attacked, even though the CCE, with bad intentions, decided to set up the voting centers on the streets. Meanwhile, the Armed Forces bombed towns and villages and inflicted many civilian casualties. It machinegunned a Red Cross ambulance, and, as denounced by three wounded reporters, it deliberately murdered three reporters.

ARENA is getting ready to assume power when unity within the Armed Forces is dissolving. The Armed Forces is run by men who say that they will not allow politicians to bother them. ARENA is not a united party. Among its rank and file there are many reactionaries. It is the party of the large landowners and businessmen. ARENA is the party of the rich who oppose agrarian reform and who are to blame for the poverty, hunger, and illiteracy that prevails in the rural areas; it is the party of those who promote a total war and who finance the party in hopes of reestablishing the strong alliance between the oligarchy and the bloodthirsty military dictatorship whose Christian Democratic mask, painted on in 1980, has been torn off by these 9 years of revolutionary warfare.

ARENA's assumption of power represents a reunification with the oligarchy and the military dictatorship. The Salvadoran people and the international community must take note of this. Within ARENA there are masters and hired hands; there are even some members of the death squads and men who were discharged from the Army. They are not only capable of eliminating revolutionaries or suspicious persons, but also of kidnapping and blackmailing ARENA businessmen. This was demonstrated over the past few years.

Cristiani and Francisco Merino have expressed their willingness to negotiate with the FMLN; however, they arrogantly said that they will only hold talks but not negotiate. Soon we will present a new proposal for negotiation to the Duarte administration as well as to Cristiani and Merino. This proposal will put their words to a test. In light of what happened to ARENA, many Salvadorans and foreign observers ask themselves: Who will actually become president? Cristiani, [Roberto] D'Aubuisson, or [Sigifredo] Ochoa?

The FMLN does not harbor any illusions; it will bluntly confront the warmongerers. We will prove that their threats are condemned to defeat and, at the same time, we will maintain—openly and firmly—our proposal for a negotiated peace that we presented in January. The Salvadoran people and the world are closely watching the Bush administration. After his earlier sensible position on the FMLN's peace proposal, the State Department maneuvered to counter it by participating in the drafting of Duarte's last-minute counterproposal, which blocked the possibility of negotiating the postponement of the March elections until September.

They tried to cover up this rejection with a unilateral cease-fire, which in fact never existed. Now the State Department has told Cristiani that it will maintain its military aid. We ask ourselves: Is the Bush administration once again betting on the failed policy of heightening the war in El Salvador, or will Bush seek a negotiated solution? The FMLN will insist on negotiating peace but, as long as nothing is achieved, it will continue to efficiently use its weapons to defeat the desperate killer warmongerers.

The FMLN General Command hereby tells the people: It is necessary to struggle more and more to achieve our dreams of peace, democracy, social justice, and sovereignty. We took up revolutionary weapons to achieve these goals, and our ranks are open to receive all those who understand the need and fairness of this kind of struggle. These are the same goals of those who, without taking up weapons, struggle with us to open the way for a negotiated peace. We call on everyone, whatever their political ideas and religious beliefs, to increase and expand this struggle. Fellow countrymen, the power that opposes the people's aspirations is weaker today after the repudiated 19 March elections. The cause of a better El Salvador for our children is stronger today; its arms are stronger and more powerful. Let us bring victory closer; let us ensure victory.
[signed] FMLN General Command
Commanders Francisco Jovel, Eduardo Sancho, Salvador Sanchez Seregni, Jorge Shafik Handal, Joaquin Villalobos
El Salvador, 21 March 1989

Rebel Radio Links Cristiani to Death Squads

PA2203040189 (Clandestine) Radio Venceremos in Spanish to El Salvador 0035 GMT 22 Mar 89

[Station commentary: "Cristiani: Death Squad Member Who Wears a Tie"]

[Text] In El Salvador, the revolution's push forward has destroyed the U.S. counterinsurgency program, which attempted to show a democratization process to the world in which the PDC disguised a dirty war that brought unprecedented genocide to Latin America.

The PDC began to disintegrate at the same time as the different stages of the so-called low-intensity war were being defeated. The PDC began to turn into a political corpse, unable to guarantee the demands of the previous U.S. Administration, which had anticipated being able to maintain appearances before the eyes of the U.S. Congress and the international community, who were beginning to ask Reagan to render an account for his Salvadoran policy, which had already cost him $3.5 billion and was threatening to take a toll in U.S. advisors' blood.

Beginning with Alfredo Cristiani's first trip to the United States, where he met with officials of the previous U.S. Administration, it became clear that Washington would switch partners in the task of maintaining U.S. aggression against El Salvador. That partner would be ARENA. However, the death squads' party had to have its face washed. The party needed to wash the hideous face it showed to the world.

To achieve this goal, the party appeared to lower the profile of [ARENA founder Major] Roberto D'Aubuisson and was determined to show off its new product: Alfredo Cristiani. U.S. advertising agencies were hired to project the image of a businessman with an honorable appearance, well-educated, and devoted to his family—a totally different image from that of the henchmen who in reality will be the ones in power. The Lombrosian faces [allusion to 19th-century Italian psychiatrist Cesare Lombroso's system of predicting criminal behavior by examining a person's physical characteristics] of retired Army officers D'Aubuisson and [Lieutenant Colonel Sigifredo] Ochoa Perez were unsuitable for the counterinsurgency program's new image.

Cristiani is a death squad member who wears a tie and a clean shirt, who has received training at U.S. universities, and whose children study far away from El Salvador, a country which millionaire coffee growers like Cristiani regard with contempt.

Among the measures announced by Cristiani is the country's privatization. However, El Salvador and its resources—the land and the wealth created by our people—are precisely what have been in private hands for 60 years. The concentration of wealth in the bank accounts of a few families is precisely what led to rebellion in 1932, and today represents one of the causes that keep our country at war.

Cristiani represents the same oligarchy that Msgr [Archbishop Oscar Arnulfo] Romero warned would lose their hands for not wanting to lose their friends' [words indistinct]. Cristiani represents the millionaires who pulled the trigger of the weapon that killed Msgr Oscar Arnulfo Romero. Cristiani's arteriosclerosis has lead to the torture and death of thousands of Salvadorans. The Salvadoran people do not forget, nor are they masochistic. This is why they cannot recognize the legitimacy of a regime which might well present a well-scrubbed Cristiani, wearing a fine tie, and showing manners acquired in U.S. universities, but who nevertheless has bloodstained hands. Cristiani and his oligarchic class are responsible for plundering the wealth produced by the exploited majorities.

Today, more than ever before, our people's reasons for maintaining their struggle are more just and more legitimate. Today, more than ever before, the people's vanguard has shown its power, a vanguard which moves inexorably toward the attainment of peace with social justice and national independence.

Cristiani on Voter Turnout, Talks With FMLN

PA2203043089 Hamburg DPA in Spanish 0318 GMT 22 Mar 89

[Text] San Salvador, 21 Mar (DPA)—Apparent President-elect Alfredo Cristiani responded this afternoon to the Salvadoran guerrilla statement announced in Mexico. He stated that the election results were a reflection of the people's victory and not of a candidate who received less than 40 percent of the votes of the total population entitled to vote.

Cristiani, who attended the beginning of the final vote tally in the CCE computer center installed in the Presidential Hotel, was told of the FMLN's position regarding the high abstention rate in the elections and of the rebel's announcement that they will present him with a new peace proposal.

Regarding the election results, Cristiani said that he did not agree with the FMLN because, according to his own computer center, with only 365 of a total of 6,712 polling tables tallied, 964,000 votes have already been accounted for, which indicates that the total figure will be more than 1 million voters.

That voter turnout, according to Cristiani, was achieved despite the guerrilla sabotage. In any event, the turnout should reach 50 percent of the total voting population, which is not any sign of weakness. In democracies such as the United States, under normal circumstances, election participation has also reached only 50 percent.

Cristiani noted that it would have been something else entirely if the FMLN had allowed the people to express themselves freely at the polls—that is, without the hindrance of violence imposed by the FMLN.

"It is unfortunate that the guerrillas did not heed the request of the parties to continue their campaign calling for abstention but without resorting to methods such as the sabotage of transportation, shooting, and so on."

Regarding the peace efforts, Cristiani responded to the FMLN by saying that "we do not have to wait to begin peace efforts until 1 June, when our administration takes office." He added that a dialogue was begun with the political parties and rebels in Mexico and that the door was left open for new talks.

He added that there is a bilateral commission that includes members of the executive and legislative branches and noted that he is willing to continue the talks that the FMLN rejected before the elections but which can be resumed next week.

The candidate of the right-wing ARENA and apparent president-elect of El Salvador said that he agrees that a political solution to the war should be found through talks. He said that the Armed Forces and all national sectors must do their part. Therefore, Cristiani added, "I believe that much can be achieved if the FMLN decides to continue the talks."

Meanwhile, Cristiani's ARENA supporters were impatient for the council to begin the final vote count to declare the president-elect for the 1989-1994 term. As had been announced, and according to the Constitution, the CCE began the final vote count today.

German Paper Interviews President-Elect

AU2203122989 Hamburg DIE WELT in German 22 Mar 89 p 6

[W. Thomas report on an interview with President-elect Alfredo Cristiani in San Salvador: "Senora Thatcher, Ronald Reagan, and Ludwig Erhard Are My Models"; date not given]

[Text] San Salvador—We meet Alfredo "Freddy" Cristiani, the victor of the presidential elections in El Salvador, in the heavily guarded headquarters of his ARENA, where he is just signing thank-you notes to party aides. The young entrepreneur has moved into the international limelight overnight. He impressively won the bloody elections and will take over one of the most difficult offices in the world from the seriously ill Christian Democrat Napoleon Duarte on 1 June.

Cristiani seems calm and composed as always, totally different from many Latin American politicians. This man, in whose veins runs the blood of Italian and Swiss ancestors, lacks the talent to be a caudillo. He does not quite fit the widespread cliche of the ARENA, which is normally considered as ultrarightist. Cristiani represents emphatically moderate positions.

The priorities? Cristiani cites three problems to which he intends to dedicate particular attention: the armed conflict, the economic crisis, and poverty. "We have to make progress on all fronts, otherwise this country will continue its downward slide."

His political position? "Conservative," he says. His models? "Senora Thatcher, Ronald Reagan, Ludwig Erhard." Yes, Ludwig Erhard. "I like the model of the social market economy," stresses the coffee and pharmaceutical trader who studied business management at Georgetown University, Washington. Some reforms of Duarte's Christian Democratic Government will remain. The agricultural reform, for instance. Nationalization of foreign trade and banks, on the other hand, is to be rescinded. "Most banks are bankrupt. They are paralyzing development."

Cristiani dreams of an "efficient economy." This is the precondition for an effective struggle against misery. The slim, tall man with the sparse hair and the bushy moustache rejects the accusations of ARENA's critics that his party is in the service of the oligarchy. "We would not win any elections if we were not supported by the lower strata of the population."

The party grants free medical treatment and sustains mobile clinics. Cristiani wants to build hospitals and schools, and to create jobs. "If we do not do something in this sector, we are harming ourselves."

The words "reconciliation" and "national unity" firmly belong to the vocabulary of the next Salvadoran president. He thinks of a government, which—in contrast to that of the Christian Democrats—looks for coalitions and accepts members of other parties. However, Cristiani is also ready for further negotiations with the Marxist rebel movement "FMLN."

Cristiani wishes a speedy end to the conflict, which has claimed 75,000 lives over the past 9 years. This goal can be achieved only if the guerrillas can be integrated into the political process. However, Cristiani doubts that the most radical elements of the FMLN would ever lay down their arms. He means the "Villalobos group," the fighters under the command of Joaquin Villalobos. However, the FMLN consists of five organizations which do not all follow the same strategy, Cristiani points out. Is a military victory possible? "It is possible. However, I prefer a political solution."

Duarte's successor knows about ARENA's unfortunate image problem. "Internationally, we do not enjoy the best reputation." The evil accusations (about former contacts with the death squads) are not correct. Even political opponents affirm that Cristiani has a clean slate. "Other countries should judge the ARENA movement by its deeds and give it a chance." The FRG, too? "This nation too."

This family man with three children is not afraid, even though he lives dangerously. He is always accompanied by bodyguards. Sandbags are heaped up in front of the windows of his party office. He regrets that in the future he will have less leisure time for sports. Cristiani, a former member of the national basketball and volleyball teams, likes to play squash. The president's term of office is 5 years. We ask Alfredo Cristiani how he envisions El Savador in 1994. "A country in which there is not poverty but peace."

Duarte Due in U.S. for Examinations 22 Mar

PA2103170389 Panama City ACAN in Spanish 1618 GMT 21 Mar 89

[Text] San Salvador, 21 Mar (ACAN-EFE)—Salvadoran President Jose Napoleon Duarte will travel to the United States tomorrow for new medical examinations because his illness has worsened.

Benjamin Interiano, Duarte's personal physician, told ACAN-EFE that the president, who has a high fever, will again be treated at Walter Reed Hospital in Washington.

The Salvadoran president was diagnosed as having terminal cancer of the liver last June.

The specialist said the fever has not lessened even though heavy doses of antibiotics were administered to the president over the past week.

"He (Duarte) and I have decided he should go to the United States for an examination," the doctor said.

Duarte will be hospitalized for at least 5 days at Walter Reed Hospital, where a biopsy and ultrasound examinations will be done "to see whether his cancer has grown," the doctor explained.

"Over the past few days, he has had a fever and slight abdominal pains. We do not know whether this is because of an intestinal infection or the liver tumor," Interiano added.

The president was scheduled to have chemotherapy treatment last week, but it was suspended because of his high fever.

Duarte's doctor rejected the idea that the president's delicate state of health was provoked by the situation of violence that prevailed in the country over the past week in connection with the presidential elections. The president was last seen in public when he cast his vote.

'New Evaluation' Required

PA2203050489 San Salvador Radio Cadena YSKL in Spanish 0300 GMT 22 Mar 89

[Report by Marco Antonio Guevara on statements by Dr Jose Luis Saca, personal physician to President Jose Napoleon Duarte; date and place not given]

[Text] Salvadoran President Jose Napoleon Duarte will be admitted to Walter Reed Hospital in Washington this Wednesday [22 March] for a new medical checkup after suffering from a continuous fever during the past week. According to Dr Jose Luis Saca, the Salvadoran president requires a new evaluation of the disease afflicting his liver, since a change in symptoms would require a change in medication.

[Begin Saca recording] For the past week, President Duarte has been suffering from a fever. We believe that this fever is related to the cancer itself, and that is why we have recommended that a new evaluation be made and that he go to Walter Reed Hospital, where all the necessary studies can be made.

I believe that the president received the seventh session of treatments 5 weeks ago. He was due to receive the eighth group of treatments last Friday, but, because of his fever, it was not possible to administer this treatment because he was suffering from diarrhea due to an infection. It is absolutely impossible to administer the cancer treatment in the presence of an infection. The infection has now been treated, but the fever persists. [Words indistinct] we think it is due to the spreading cancer. [end recording]

The doctor said that the president will undergo several examinations but that it will be the nuclear magnetic resonance examination which will confirm whether the cancerous tumor afflicting the president has increased in size. The medical specialist said that President Duarte has lived longer than the life expectancy for patients suffering from this type of cancer; he has lived for 10 months, when the life expectancy is 6 to 8 months. Dr Saca added that the patient's psychological makeup and the treatment he gets play a very crucial role in the patient's life expectancy.

FMLN Attacks La Esperanza Penitentiary

PA2203030589 San Salvador Radio Cadena YSKL in Spanish 0200 GMT 22 Mar 89

[Text] This is a report from our news center on the situation over the past few hours at La Esperanza Penitentiary in Mariona. Here is Javier Navarro reporting:

[Begin Navarro recording] Thank you, Tony. Listeners of this radio station, as a result of the FMLN attack on La Esperanza Penitentiary in Mariona, three prisoners and a security guard have been wounded, according to official reports provided to this station.

The names of the prisoners wounded during the attack are: Manuel de Jesus Herrera Vivarti, Edwin Enrique Campos Pineda, and Ronaldo Alberto Jovel, who were taken to the Rosales Hospital in the capital for medical treatment. Also, security guard Gilberto Interiano Vicente, who was guarding the penitentiary, was wounded and taken to a medical center for medical assistance.

The guerrilla attack, staged with explosives and rifle fire, began at about 1755 this afternoon and lasted approximately 25 minutes. At that time the penitentiary guards repelled the FMLN rebels and forced them to flee. At approximately 1820, a Salvadoran Air Force helicopter arrived to give support to the prison guards. Other Armed Forces members also arrived at the penitentiary. We repeat: Three prisoners and a security guard were wounded during this afternoon's attack on the penitentiary. The official report states that the convicts tried to open up a hole in the west side of the penitentiary to escape, but were unable to do so. [end recording]

'Terrorist' With Press Credentials Dies

PA2103150989 San Salvador EL DIARIO DE HOY in Spanish 20 Mar 89 p 8

[Text] San Miguel—A military source has reported that a terrorist was killed when a bomb he was placing on a power tower exploded in his hands.

The terrorist, who carried accreditation documents as a journalist, was identified as Juan Antonio Mendez Rios. He also carried an ID card issued by the Salvadoran Red Cross to Juan Antonio Mendez Flores.

'Former Cuban Diplomat' on Supplying Weapons

PA2103163189 San Salvador Canal Doce Television in Spanish 0350 GMT 17 Mar 89

[Text] A former Cuban diplomat said in Venezuela today that the Palestine Liberation Organization [PLO] sends weapons to the Farabundo Marti National Liberation Front [FMLN].

The diplomat, who was stationed in the Middle East for 2 years, said Latin American rebel groups—such as the Colombian 19 April Movement, Peruvian Shining Path, Ecuadoran Alfaro Lives Dammit, and Salvadoran FMLN—receive weapons from Middle East organization such as the PLO. [Name indistinct] made the connections between these organizations in 1985, following Fidel Castro's instructions. Castro has close links with leaders such as Yasir 'Arafat.

[Begin recording] [Former Cuban diplomat] 'Al-Fatah, the People's Democratic Republic of Yemen, and other communist Arab organizations sent donations.

[Reporter] How were these weapons delivered? Where were they sent? You received weapons manufactured in the West from the Palestinian organizations. How did you deliver these weapons to rebel organizations? For example, how where they delivered to the FMLN?

[Diplomat] As you know, these are very large clandestine operations organized and structured in phases.

[Reporter] Did you ever connect Latin American rebel groups with the Palestinians?

[Diplomat] Yes I did. One of our main tasks was to develop relations between Latin American rebel movements and the Middle East organizations.

[Reporter] How did you do this?

[Diplomat] For example, a delegation of the Salvadoran Revolutionary Coordinator [Coordinadora Revolucionaria de El Salvador], which includes the FMLN, would travel to Damascus and I would connect them...

[Reporter, interrup[illegible]ng] Do you remember their names?

[Diplomat] No, I [illegible] not remember their names.

[Reporter] Peopl[illegible]ke Shafik Handal, perhaps?

[Diplomat] There was the visit by the Revolutionary Coordinator delegation; Handal also visited Damascus, but he came alone. As you know, he is secretary general of this type of party in El Salvador and is of Palestinian origin. He visited Lebanon and Syria to make connections, relations, [word indistinct]. These relations and contacts allow the rebel organizations to exchange aid and cooperation in the subversive, political, and military fields. [end recording]

The Cuban diplomat said the task of serving as an intermediary between Middle East organizations and the Latin American guerrillas was part of his job and is carried out in a permanent manner. He added that the Cuban Government also maintains contact with European groups that have cooperated in getting the weapons to their destination.

Honduras

Statements by Envoy to Nicaragua Denied

PA2103152889 Tegucigalpa Cadena Audio Video in Spanish 1233 GMT 21 Mar 89

[Report by Elan Reyes Pineda]

[Excerpts] Honduran Ambassador to Nicaragua Colonel Efrain Gonzalez has recently said that the demobilization of the Nicaraguan contra movement agreed on by the Central American presidents in El Salvador will not take place until 1990.

The Honduran Foreign Ministry denied those statements through spokesman Eugenio Castro, who clarified the situation and the Honduran Government's position:

[Begin recording] [Castro] The statements a foreign news agency attributed to Honduran Ambassador to Nicaragua Efrain Gonzalez does not faithfully reflect the Honduran Government's position. The demobilization of the contra movement is an issue that has been discussed by the Honduran president and foreign minister. They have held working sessions to discuss that issue. The statements attributed to Ambassador Gonzalez do not faithfully reflect our position.

[Reyes] What could be the consequences of those statements, especially since REUTER, a very prestigious international news agency, has attributed them to Ambassador Gonzalez?

[Castro] I am not sure. There could have been some kind of misunderstanding. I am not sure. I can only reiterate that those statements do not faithfully reflect the Honduran Government's position.

In my opinion, it is impossible for me to tell you exactly how long the demobilization of the Nicaraguan Resistance will take. However, it has not been said the demobilization will last until 1990. There have been no such talks. [passage omitted] [end recording]

Thus far, the Honduran Foreign Ministry has failed to explain the reasons for the difference of opinion among Honduran Ambassador Gonzalez, President Azcona, and the Honduran foreign minister regarding the contra movement demobilization.

We must say, however, that President Azcona's government supports the humanitarian aid the U.S. Government plans to deliver to the contras.

According to the report we broadcast last week, Ambassador Gonzalez will be removed from his post and replaced by Col Mario Maldonado, current Honduran ambassador to El Salvador.

Foreign Ministry Communique on Talks With RN

PA1903003289 Tegucigalpa EL HERALDO in Spanish 17 Mar 89 p 57

[Press Communique No 020-89 issued by the Foreign Ministry Information and Press Directorate in Tegucigalpa on 16 March]

[Text] During the recent meeting between Honduran diplomats and Nicaraguan Resistance [RN] leaders in Washington, the key issues discussed were incorporating the rebels into Nicaraguan society; democratizing that country; and the need for the United States and the other Central American countries to study the reincorporation process.

Jorge Ramon Hernandez Alcerro, Honduran ambassador to the United States, voiced his hope that talks such as the ones between Honduras and the RN will encourage other Central American countries to listen to the views of all the sides involved.

Hernandez Alcerro stressed that Honduras has been committed to the struggle for democracy and that now there is a possibility of finding a solution to the crisis.

The Honduran envoy noted that our country wants all Central American countries to take a responsible position on the current situation and to contribute to this process. Moreover, he asked the contra leaders if they planned to discuss with other countries the normalization of the RN's status in Nicaragua.

RN leader Aldolfo Calero said that his group had accepted Esquipulas II and that the suspended Sapoa negotiations included the contras' return to Nicaragua. Calero also said the contras were prepared to exchange their weapons for democracy.

Honduran Colonel Luis Alonso Velasquez told the rebel leaders they need to resume talks with the Sandinists. The RN is asking the Sandinists to comply with the Sapoa agreements.

Moreover, Hernandez Alcerro noted that Honduras regards the RN's reintegration into Nicaraguan society as a step forward, although Honduras is aware there must be international guarantees to ensure the safety of the returning fighters. International monitoring is necessary to ensure that the promises are kept.

Ambassador Roberto Flores Bermudez, who was also a member of the Honduran delegation, noted that the fundamental problem with the contras' return to their country is the need for guarantees and for a democratic development in Nicaragua. He felt that the upcoming talks at the United Nations will discuss the verification process, which must be compatible with Nicaragua's democratization process and with the RN's repatriation to its country.

Throughout the talks, the Honduran views were that monitoring and supervision mechanisms must be established to get the contras to return to Nicaragua and that this problem must be widely discussed, because it does not depend on Honduras alone. Ambassador Hernandez Alcerro felt it is important to bring these issues to the negotiating table. He added that Honduras believes this whole process is complex and should include the U.S. Government and Congress, all the Central American countries, and the RN.
Tegucigalpa, 16 March 1989
Foreign Ministry Information and Press Directorate

Demonstrators Demand Expulsion of Contras

PA1903003089 Buenos Aires REUTER in Spanish 0345 GMT 18 Mar 89

[Excerpt] Tegucigalpa, 17 Mar (REUTER)—Approximately 300 persons marched through Tegucigalpa today demanding the expulsion of the Nicaraguan counterrevolutionaries based in Honduras with U.S. backing.

The demonstrators—left-wing union members, students, members of human rights groups, workers, and peasants—also protested the austerity measures imposed by the government and the disappearance of more than 100 Hondurans in the early part of this decade.

"Because the contras are murderers, we demand their expulsion," chanted the demonstrators, who carried posters that read: "War no, taxes no, military maneuvers no, arms no, repression no."

Scores of heavily armed soldiers took up positions along the route of the march and blocked off the streets leading to the Presidential Palace. [passage omitted]

Nicaragua

Arce Comments on Peace Process, Contras

PA2003073089 Managua EL NUEVO DIARIO in Spanish 17 Mar 89 pp 1, 8

[Text] Commander Bayardo Arce warned yesterday that peace is not yet assured because the Bush administration has proposed keeping the counterrevolutionary forces in Honduras and any excuse could be invented by the Yankees to renew military aggression.

However, the Sandinist leader recalled that the Nicaraguan Government has taken positive steps to comply with the peace agreements, but one cannot forget the Bush administration's actions with respect to the Somozist mercenaries.

Arce, a member of the FSLN [Sandinist National Liberation Front] National Directorate, spoke at yesterday's opening of a seminar on Nicaraguan youth at the Olof Palme Youth School.

Arce said Nicaraguan youth must clearly understand that the best aspects of the country have come from the farms to the city.

Therefore, we assure you that there are jobs in Nicaragua, but not for agricultural technicians and engineers who want to work in the MIDINRA [Agricultural Development and Agrarian Reform Ministry] offices, he said.

There are jobs for those who understand that the homeland's future lies in production and who want to work at the Chale Haslan enterprise or at any other agricultural cooperative, Arce said.

He referred to the current need for 250 professionals, especially in the agricultural sector, to strengthen production units. "Therefore, the problem is not that there are no jobs, but that the jobs are in the production sector, in the fields," Arce emphasized.

Economic Situation and Revolution

Arce appealed to the participants at the seminar not to forget about the country's difficult economic situation.

"At the same time, you must remember that at this seminar we are debating the role of the youth in the revolution, which is not a problem in other countries, but which is a vital factor in the revolutionary process," he said.

Right To Vote

He also recalled that Nicaragua is one of the few countries where youths 16 or older can vote and that to become president of the Republic, a judge, or a deputy, one has to be 25 years or older, as established in the Constitution.

"That is why we say here that the role of youths is a determining factor now and in the future," concluded Arce.

Other Subjects

Education was discussed at the seminar yesterday. Lawyer Juan Corrales gave a speech on this topic.

Assembly President on Contras, Domestic Issues

AU2203112889 Budapest MTI in English 1539 GMT 21 Mar 89

[All quotation marks as received]

[Text] Budapest, MTI, 21/03/1989—Carlos Nunez Tellez, speaker of parliament of Nicaragua who headed a delegation to the inter-parliamentary conference in Budapest, gave an interview to "NEPSZABADSAG" on the Nicaraguan situation.

Concerning the talks with the opposition, he said:

"The opposition forces are not very experienced and somewhat secretive. They do not contribute to implementing the agreements approved at the recent summit in El Salvador, and have declared that they would only be prepared to be involved in the process of elections if the Constitution and the electoral law are reformed, a preliminary referendum is held, full amnesty guaranteed and the information law suspended. It would appear they interpret the talks as multilateral bargaining rather than national dialogue.

Mr Nunez Tellez said that the amnesty would not fundamentally change the political power relations. Captives taken in the course of counter-revolutionary activity since 1980 will not regain their right to vote. We in the Sandinista Front believe that, after nine years, there is no realistic alternative to people's power in Nicaragua. We do not think that we can lose power but we are aware of the enormous economic difficulties we face.

Our priority aim is to revive the economy, which is really more complicated than waging war. We have passed a number of measures to increase production and productivity, and halt inflation, at the same time we seek to guarantee staple food for the population.

We would like to base our political system on three fundamental principles: political pluralism, mixed economy and non-aligned foreign policy. Of course, our final aim is socialism but it cannot be achieved by decrees in our country either," the Nicaraguan politician said.

Lewites, Diplomatic Stores Linked to Panama

PA2003164889 Managua LA PRENSA in Spanish 15 Mar 89 p 3

[Report by Julio Cesar Armas]

[Text] Herty Lewites, director of the Nicaraguan Tourism Institute, is such a key man for the state that his duties prevent him from being able to grant a short press interview.

LA PRENSA sent one of its reporters to obtain brief statements from Lewites since unofficial reports say he will be appointed Nicaraguan ambassador to Washington. Those reports rule out the possibility of Carlos Tunnermann continuing to occupy that post. The White House announced that it would be possible to improve diplomatic relations with Nicaragua if President Ortega makes up his mind once and for all and moves toward the democracy that Nicaraguans and the world are demanding.

It was impossible, however, to obtain those statements because of Lewites' many duties.

We wanted to ask him questions such as: Can you tell us if you will be joining the diplomatic service? What will happen to the tourism projects that are currently under way? Is it true that the Italian firm that was jointly financing the Montelimar Project withdrew and that its withdrawal considerably reduces the project's profitability? What did an Italian firm have to do with that project anyway? Is it true that firm withdrew because it felt the project was too vulnerable to sabotage?

We also would have liked to ask Mr Lewites questions such as: How do the diplomatic stores work? Is it true that you have a Panamanian associate? Why are the prices of products higher in the diplomatic stores than in other parts of Central America?

We still had more questions: Is it true that all the merchandise sold at the diplomatic stores comes from Panama? Which companies deliver the merchandise? Is Nicaraguan capital invested in those companies? Could you mention some names?

Our attempts, however, were frustrated, because Lewites' many duties also include organizing the 10th anniversary celebration of the Nicaraguan revolution. Lewites is an adviser to activist Commander Bayardo

Arce. That is the information Lewites' secretary Annabella Martinez gave us. She added that for the time being it is impossible to interview Lewites and that his appointment as Nicaraguan ambassador to Washington is not official.

Finance Official Discusses Wage Increases

PA1503132089 Managua Radio Sandino in Spanish 1200 GMT 11 Mar 89

[Interview with Ligia Elizondo, deputy planning and budget secretary of the Presidency, by unidentified reporter; date and place not given—recorded]

[Text] [Elizondo] The government has been cautious about wage increases in order to avoid inflation. We can say that wages are an economic variable that has been controlled; therefore, there has been a drop in real wages over a fixed period of time.

[Reporter] What can be done? What alternatives does the government have? You have referred to wages; you said that wages are a very important variable. This means that the policy on wages will also have to be revised.

[Elizondo] Well, I will give you my very personal opinion on this. I believe that a recession, a partial economic recession, will be unavoidable if prices are stabilized; in other words, if prices are controlled. In light of the high inflation rate in the country and all the imbalances in supply and demand, the economy tends to show reduced liquidity. I would say that it is impossible to control inflation and to revitalize the economy at the same time. Something very special would have to be done in order to achieve this.

[Reporter] Rumor has it among economists that wage hikes caused inflation in the past. Other economists disagree. If the government wants to control inflation, if it manages to curb it somehow, what effects do you think another increase in wages could have?

[Elizondo] We recently implemented a policy of monetary restrictions. We have succeeded in reducing February's inflation rate as compared to figures for January. January's inflation rate was outrageous; it reached [word indistinct] percent. We are pleased with the February figures because they show a considerable reduction when compared to January's index. However, a 40-percent inflation rate per month is much too high. We have a long way to go before we can say that we have reached a satisfactory level.

I cannot give you a succinct answer as to whether wages are or are not the cause of inflation. A wage increase would undoubtedly have a strong impact on the national economy because it would represent an increase in demand. However, I do not believe that wages are a decisive factor in Nicaragua because they are of minor importance within the cost structure and the business sector. It is a problem for the government because an increase in wages is immediately reflected in the fiscal deficit. The fiscal deficit is immediately reflected in an increase in the credit the Central Bank must grant to the Finance Ministry. That is my personal opinion, but, as I said, I do not believe an increase in wages is the only decisive factor.

* Enrique Bolanos Predicts 30,000 Layoffs

32480088 Managua LA PRENSA in Spanish 3 Feb 89 pp 1,12; 4 Feb 89 pp 1, 12

[Two-part interview with Enrique Bolanos, former president of the Higher Council of Private Enterprise, by Ana Maria Ruiz; date and place not given]

[3 Feb 89 pp 1, 12]

[Excerpt] Five years ago, the Sandinist government should have admitted its political and economic failure; then it would have been able to avoid the catastrophe that has befallen us, said Enrique Bolanos in an exclusive interview with LA PRENSA.

The former president of the Higher Council of Private Enterprise (COSEP) is one of the most respected private businessmen in the country because he remained in Nicaragua after the arbitrary confiscation of his property. He commented on the performance of President Ortega in the new economic management of the country, with his usual facility with words.

'We Are Bankrupt'

Bolanos said, "I should confess that I was one of thousands of expectant citizens who were eagerly awaiting economic measures...but I hardly understood what Commander Ortega told us, or tried to tell us, in his 2 and ½ hour speech. One thing is certain: What he told us could have been said in a few minutes, and that is that we are bankrupt."

[LA PRENSA] But what are the Sandinists after? What do you think can be concluded from the words of President Ortega and the attempts at what they call a "reconciliation," which has translated into meetings with private business sectors for an exchange of opinions with government officials?

[Bolanos] At the end of his speech, Ortega clearly revealed his objectives. He said, and I quote: "We do not renounce our ideology. We are not renouncing our program of socialist orientation. This is the way to continue building socialism in our Latin American reality. We, as Sandinists, as Marxists, as Marxist-Leninists, and everything else you want to add, what we understand is that in applying the revolutionary program in the reality of Nicaragua, we must respect the characteristics of our society, and we must do so in alliance with all the social, economic, political, and religious sectors that are willing to build a new Nicaragua."

A rooster couldn't crow any clearer than that. He's telling us that "we are making short-term changes just so that we can build socialism...now we are drowning, and we can't continue annihilating you, but I need a life preserver so that I can regain my strength and then go on annihilating you." We must ask ourselves: Why don't we hold a plebiscite to ask the Nicaraguan people whether they deserve to be thrown a life preserver or a yoke?

Antipatriotic Unemployment

[LA PRENSA] What do you think about the thousands of people who will be condemned to unemployment? What can happen to that idle labor force?

[Bolanos] Ortega said, "It is time to put the interests of the poor, humble, hard-working people above partisan interests that lead to false and demagogic passions...time to demonstrate which of us are true Nicaraguans, which of us are willing to live like brothers."

When he said that, I thought it would be patriotic to put that into effect by laying off the countless internationalists who are so abundant in all branches of government...I think about 30,000 Nicaraguans will end up without jobs, but the internationalists will remain in their posts.

'Is There an Abel?'

[LA PRENSA] But Commander Ortega spoke of brothers, pointing to the existence of a Cain and an Abel. What do you think?

[Bolanos] I wonder, is there an Abel? Commander Ortega told us: "It is time to tell Cain that he cannot continue raising his hand to kill his brother...to encourage and applaud the murder of his brothers. It is Nicaragua's time; it is Abel's time; it is time to build peace."

When he said that, I wondered, can he or the Sandinists cast the first stone? Images passed through my mind: the taking of the National Palace, the taking of Chema Castillo's home, the seizure of the plane in Costa Rica, the bank robberies, the atrocious murder of General Reynaldo Perez Vega, the thwarted attempt to kidnap Don Alfredo Pellas, and other kidnapings. I remembered Jorge Salazar. I remembered the long televised press conference at which the chief of State Security told us the details of how the Contras had kidnapped and murdered Monsignor Schlaeffer. I remembered many other similar and unpleasant things.

They tell us, and we well know, that the country is sinking and the citizenry is suffering. They tell us, and we well know, that we urgently need a national reconciliation so that we can prevent this sinking and prevent more suffering by the citizenry. But the president (who should be the president of all Nicaraguans) always uses the same disrespectful and insulting language, which does not help create a propitious climate for a harmony that would result in the national reconciliation we so desperately need.

[LA PRENSA] But President Ortega heaps the blame on Reagan for the economic "catastrophe," and now that he's gone, as Ortega victoriously proclaimed, are we any closer to salvation from the economic quagmire?

[Bolanos] Ortega said that between 1980 and 1983, we exported more than $400 million. That President Carter worked hard to get the U.S. Congress to approve $75 million in aid, but as of 20 January 1981 (when Reagan took office), pressure was exerted on Latin America, Europe, and the multilateral organizations to reduce or cut their aid to Nicaragua. For that reason, our exports fell to just over $300 million by 1984 and 1985, and to less than $300 million in 1986, 1987, and 1988.

I recalled that even this average of $446 million in exports between 1980 and 1983, years of massive aid and donations to Nicaragua, only amounted to about 70 percent of the $646 million in exports we had achieved in 1978-79. The latest export figure, $267 million in 1988, was just 40 percent of the 1978 total. Furthermore, in 1979, in spite of the war, we managed to export $567 million.

$70 per Nicaraguan

I recalled (Bolanos continued) that our exports in 1978-79 were equal to nearly $270 per inhabitant, but those of 1988 barely equal $70 per inhabitant.

I recalled that in BARRICADA on 12 June 1987, Vice Minister for Foreign Cooperation Miguel Angel Buitrago reported that the revolutionary government had obtained $9.797 billion in foreign aid; in other words, to that point, we had received an average of $784 million in loans each year, in addition to hundreds of millions in donations each year. We have always wondered how those enormous sums of money have been used. Despite this major infusion of financing and donations, our economy kept weakening day after day, and today they tell us that it was for lack of foreign aid. [passage omitted]

[4 Feb 89 pp 1, 12]

[Text] For Enrique Bolanos, the lack of confidence in the socioeconomic policies of the Sandinist government, which have subjected an entire nation to confiscatory and agglomerative decree-laws under the increasingly monstrous dictates of the state, is the factor that accelerated the crisis we Nicaraguans are now suffering.

The politicization of food rationing with distribution cards, the law making military service mandatory in defense of the "Sandinist program," and especially the constant danger of having property confiscated (and in the opinion of many economists, the entire nation had all of its property confiscated under the measures of February of last year), sent the economy into a tailspin, and the government has belatedly announced the collapse of the economy.

No Confiscation: Promised Since November 1979

[LA PRENSA] Mr Bolanos, the Higher Council of Private Enterprise (COSEP) has held various talks with the Sandinists in the past, since the days of the first National Reconstruction Government Junta (JGRN), in search of the same objective. It is now called "reconciliation," an agreement for the functioning of the mixed economy. What went wrong?

[Bolanos] They never fulfilled the agreements we made; they created a climate of increasing mistrust. The main source of the mistrust is the fact that the Sandinist National Liberation Front (FSLN) strayed from the Original Government Program. But it is also important to note that, as a result of the meeting of 14 November 1979 between the COSEP and the JGRN, in response to the COSEP's request for a legal framework that would put the public's mind at ease, the JGRN issued Decree No. 172 on 21 November. Article 2 of that decree states:

"Consequently, as of this date, no further interventions, seizures, requisitions, or confiscations of property, personal property, real property, vehicles, or livestock may be carried out for any reason, nor may checking or savings accounts or certificates of deposit be frozen."

Marvelous! The COSEP as a whole thought that a positive step had been taken toward the pacification of the country, and that this would help stimulate labor, investment, and production, but...the confiscations blithely continued. In 1980 they promised to "limit" them. In the face of the prevailing uproar and the public outcry against arbitrary confiscations, the government once again promised to bring order. Thus, on Tuesday, 4 March 1980, the main headline of BARRICADA said, "Limit to Confiscations." But we all know that these offers were only "short-term," and the offers to stop the confiscations have never been honored by the Sandinists. They don't even obey the rulings of the Supreme Court, as in the case of La Verona, for example. Can we believe them now? Well, we'll have to think it over carefully...and wait.

Bankrupt: 'University' Budget

[LA PRENSA] Please try to clarify for our readers which budget the government will use this year, according to the data it has provided and according to what can be gleaned from the Ortega speech and private reconciliation talks. Can a step be taken toward solving the crisis with these funds?

[Bolanos] A few weeks ago the finance minister announced that the budget for 1989 would be 285 billion cordobas. Commander Ortega said on Monday that it would be cut by 89 billion. I don't have any other official figures, because financial and economic matters in Nicaragua are "state secrets." Therefore, I assume that it will be cut to 196 billion cordobas. This is equivalent to barely $85 million, at the official exchange rate of 2,300 to 1. Any university in the United States or Europe, no matter how small, has a budget many times greater than the total budget of the Republic of Nicaragua. What a tragedy! What can the Sandinist government do with only $85 million? It's bankrupt!

Budget Table

To better understand what this budget means, let's look at Nicaragua's previous budgets:

Outlays (millions of U.S.$)	1976	1977	1978	1989
Current Spending	172.9	219.7	283.9	?
Investment	116.2	184.9	117.4	?
Subtotal	289.1	405.6	401.3	85.0
Payments on National Debt	7.8	9.2	9.9	?
Payments on Foreign Debt	14.5	24.7	44.6	?
Total (millions of U.S.$)	311.4	439.5	455.8	262.0 (announced)

$40 per Capita

The lack of data leads me to suppose that the budget referred to by the finance minister and by Commander Ortega (196 billion cordobas = $85 million) corresponds to current spending and a little investment. Let's recall that he said that total outlays initially budgeted amounted to a little over a trillion cordobas, but would be cut to just 602 billion (586 billion from real sources, plus 16 billion from the sale or lease of real estate, for a total of $262 million at the official exchange rate).

No matter how this $262 million is distributed, the fact is that the government is bankrupt. We must also bear in mind that in 1978, a dollar bought about twice what a dollar will buy today, and also that the population has increased. Therefore, what corresponds to each citizen today is only about $40 in 1978 dollars, while in 1978 it amounted to $180 per inhabitant. The Sandinist government is bankrupt!

[LA PRENSA] Mr Bolanos, how would you describe the situation of state enterprises? How do we know that they have not produced earnings for the country? Do they contribute fiscal revenues or other benefits to the country?

[Bolanos] Regarding the government's revenues, Commander Ortega told us: "Real sources...what we really have to spend...amount to just 586,092,500,000 cordobas...but by selling or leasing real estate, 16 billion more could be collected." He added that this means that tax collections, added to what the state monopolies produce, amount to just $255 million at the official exchange rate.

Comparing these figures with those of the pre-Sandinist years, we see that the sum of tax revenues plus the production of the state monopolies is $255 million for 1989, while in 1978 that figure was $256.6 million, and in 1978 $236.8 million. This gives us clear idea of what has happened in Nicaragua during nearly 10 years of Sandinist government.

Sandinist Theories

[LA PRENSA] Does this mean that the country has stagnated with respect to the productivity of the businesses that are in state hands?

[Bolanos] Note that the Sandinist state now has countless state monopolies: all of the businesses that were confiscated (from Lobo Jack to coffee, banana, and cotton plantations, grain farms, dairies, breweries, slaughterhouses, the cement plant, hotels, thousands of homes of all types, the monopoly on imports and exports, all banks and insurance companies, Coca-Cola, Pepsi-Cola, pasteurizing plants, television channels, radio stations, printing presses, all sugar mills—in short, everything imaginable); and that it also an exclusive monopoly on major new businesses such as the store for diplomats and all of tourism, in addition to the traditional monopolies in sectors such as electricity, mail, telephones, railroads, the National Enterprise for Staple Foods (ENABAS) (formerly the INCEI), etc., etc. In addition, taxes have risen and proliferated tremendously, and yet it is barely able to collect what was collected in 1977-78.

What is happening? Are these gigantic state monopolies earning or losing money? Do they belong to the state or to the party? If they do have earnings, where do those earnings go? If they lose money, why persist in that capricious desire to own everything? Various theories are offered to explain the economic disaster, and they are fed by the FSLN's propensity for concealing financial data. Naturally, they give free rein to the imagination of the ongoing farce. These theories range from the Sandinist excuse of the aggression and legacy of Reagan and the Somoza regime, passing through the theory of embezzlement and looting, to the theory of the administrative ineptitude of officials and of the government in general.

'Smacks of Bribery'

[LA PRENSA] Could it be possible, despite everything that has happened, to achieve a reconciliation if private enterprise sets an example of civility and repeats once again its willingness to negotiate with the government over the possibility of a mixed economy under such an adverse situation as the present one?

[Bolanos] I am the one who is wondering: Can we Nicaraguans, without statistics, without anything on which to base a decision, arrive at an economic reconciliation that demands even more sacrifice and deprivation of us, without knowing why?

I think that producers in general, and the COSEP and its leaders, will not be anxious to participate in that economic reconciliation. Aside from the fact that it will not solve the problem, which is political in origin, such a reconciliation would force them to accept and receive free concessions (which are no longer free but tragic) as payment. And this smacks of bribery, given the complicity it would imply in the great fog that surrounds all the country's economic and financial affairs.

The economic crisis is merely a consequence of the political crisis. And the political crisis can only be resolved with the participation of all sectors of society, without accepting those free concessions as a payment for complicity, but rather in a simple spirit of patriotism.

Exchange Houses Double Operations Volume

PA1503152289 Managua Radio Sandino in Spanish 1930 GMT 10 Mar 89

[Text] Salvador Rios, general manager of Negocios de Cambio, Inc. [NECSA], told this newscast that in the first 2 months of 1989 alone Nicaraguan foreign exchange houses doubled the volume of their operations. Rios stated that before 1989 the average volume was $1.5 million a month, but that now operations almost reach the $3.5 million mark.

Concerning the remittance of dollars to relatives, Rios said that a vast majority of people send their remittances through personal couriers. Rios said that of the estimated $5 million in remittances, foreign exchange houses only handle about $400,000, equivalent to less than 10 percent of the total amount sent.

Regarding the hypothetical competition between the government and the foreign exchange houses once a single exchange rate is established, Rios said that it cannot take place given the foreign exchange's different sources of origin and destinations.

[Begin recording] [Reporter] Is there now going to be competition between the parallel and the official foreign exchange market?

[Rios] There can be no competition for two reasons. First, because the source of origin of the Central Bank's foreign exchange holdings differs very much from ours and there can therefore be no confusion with ours. The Central Bank, or the government, obtains foreign exchange from all kinds of export activities, donations, lines of credit, and so on. We [words indistinct] from tourists, remittances to and from relatives, people whose salary is paid in dollars, and retirees. The source of origin is different and the [foreign exchange's] final destination is also different.

The Central Bank [words indistinct] of raw materials used in basic industrial and agricultural production—materials such as fertilizers, insecticides, medicine for the people, flour, and all kinds of products. We do not have any of this. What we do is attend to the needs of students, health services, and business executives, and we study commerce and import requirements. [Words indistinct] in activities that are not covered by the Central Bank. There is no competition, either with regard to the source of origin or with regard to the final destination of the foreign exchange.

[Reporter] For a long time, producers of export market agricultural products have been asking the government for a single exchange rate in order to get the same exchange rate they get, for example, for their coffee or cotton production, as they get when they buy raw materials used in agricultural production. How do producers fare under the existing conditions?

[Rios] Their exports were being set at 4,600 [cordobas per dollar], and the rate for their imports was the same: 4,600. The difference between the parallel and the official foreign exchange market used to be vast. [Words indistinct] the free market rate because the import prices were being calculated at that rate. Now we are going to make the rate for imports and exports uniform, and the parallel and official markets are so close now that it can be said that the demand is being met.

[Reporter] What is the demand for dollars at the exchange houses? How are these operations being conducted?

[Rios] We are selling everything we receive. For the first time in 50 months, [words indistinct] we surpassed $3 million, almost $3.5 million. In the past, the average figure for operations was $1.5 million. Therefore, we have doubled the volume of our activities in the past 2 months. There is a demand. We have received goods [words indistinct] an increase in this activity.

[Reporter] Is this because remittances to and from relatives have remained at the same level?

[Rios] These remittances amount to approximately $400,000 of the total we receive. Of an estimated total of $5 million in remittances, it amounts to a minimum [words indistinct]. We are not even receiving 10 percent. Unfortunately, despite our advertising and the service we have provided, people continue to use personal couriers to send their dollars. They use people who are traveling [words indistinct] offices. However, a good share of what we receive is from tourists [words indistinct], those who earn their salaries in dollars in international organizations, embassies, [words indistinct] selling to retirees.

I have also observed that the people in the past had apparently converted their cordobas into dollars to protect them from devaluations. Many Nicaraguan firms and private individuals were not converting their cordobas into dollars (?with us). It was a way to protect themselves [words indistinct]. [end recording]

Mill Owners Accept Government Compensation

PA1503154089 Managua LA PRENSA in Spanish
8 Mar 89 pp 1, 12

[Text] Amid an atmosphere of generalized sadness and pessimism, the General Assembly of Nicaragua Sugar State Ltd., owner of the San Antonio sugar mill, yesterday held a special meeting with the sole purpose of discussing a compensation offer made by Minister of Agricultural Development and Agrarian Reform Jaime Wheelock for the expropriation "for reasons of public utility" of that sugar mill, located in the Chichigalpa area, in the fertile lands of Chinandega Department.

The meeting, which had been scheduled for mid-February, was postponed because the official LA GACETA newspaper failed to publish the meeting announcement on time.

As you might recall, the San Antonio sugar mill, the largest of its kind in Central America and the symbol of private property for 98 years in our country, was a target in the wake of the "massacre of 19 July 1988." Following the Nandaime demonstration, the Sandinist government decided to adopt harsh measures against the local civic opposition (by jailing its organizers), private enterprise (by expropriating the San Antonio sugar mill), and the United States (by expelling Ambassador Thomas Melton).

The meeting began on time at 1000 sharp and was headed by Mr Alfredo Pellas, president of the company that owns the sugar mill. His son and general manager, Carlos Pellas, and 70 percent of the capital stockholders also attended.

Mr Pellas briefly explained the situation created by the unjust expropriation, the legal actions taken in the form of an appeal filed at the Agrarian Tribunal by a team of attorneys headed by Simon Pereira, and the final offer made by Minister Wheelock to compensate the stockholders. He offered to pay $12 million over a 12-year period (at a rate $1 million per year) in the form of the feasible amount of 120,000 quintals of sugar each year (feasible in terms of the price at the international market) out of the sugar mill's own production. "It is not the fairest deal, but given the current situation, I recommend approval," he finally said.

A deadly silence took hold of the "Camino Real" room, where the meeting was taking place. Then the stockholders started to speak out, mainly to criticize the unfair government measure that takes away from them a sugar mill they had owned for nearly a century.

Dr Hector Mena Guerrero, a well-known physician and attorney from Granada, and others spoke out along those lines, but all of them supported the opinion of Mr Pellas, who, together with the Chamorro family on his wife's side, controls nearly 60 percent of the capital stock and the vote of those in attendance.

Mr Antonio Lacayo Fiallos made the most touching remarks. He gave a historical account of the San Antonio sugar mill from its founding in 1892 to present. He recalled that his father, Mr Constantino Lacayo, "who was always at the side of Mr Francisco Alfredo Pellas, founder of the sugar mill and great-grandfather of current manager Mr Carlos Pellas, brought money to Nicaragua at the end of the previous century to inject life and business dynamism into Nicaraguan society. Mr Lacayo and his children, together with men of the stature of Adolfo Benard, Gonzalo Espinosa, Pedro Rafael Cuadra Pasos, Santiago Morales, Salvador Munoz, and many other dynamic Granada residents of the time, founded the sugar mill and many other companies "that are now being attacked by the Sandinist government, which, according to Antonio Lacayo, is composed of youths with a fiber and training different to that of those hard-working pioneers."

Mr Antonio Lacayo Fiallos' speech lasted almost 1 hour; it was a final tribute to the Pellas and Chamorro families, to which, he said, "childhood ties will always be united with indestructible ties of friendship and solidarity."

The voting was unanimous in favor of approving negotiation, "because there was no other choice," one of the smaller stockholders quietly said. It was like a Berlioz symphony: "a gloomy and triumphant meeting," another stockholder noted.

There was a reminder of what the San Antonio sugar mill had been as a company, its social consciousness; it had been a training school for youths and a model boss in its relationship with employees. It was recalled that now well-placed members of the Sandinist government, including Messrs Carlos Kautz; Alfredo Cesar, who was formerly a great Sandinist and currently great director of the Nicaraguan Resistance; Nicho Marenco, who served as personal assistant to Mr Alfredo Pella; and many others spent many years of their lives at the mill. Afterward there was a small reception, and at 1500 it was all over: "San Antonio," the pride of the sugar industry, was gone.

* 'Transparency' in Layoff Policy Urged

32480089b Managua BARRICADA in Spanish 9 Feb 89 p 3

[Editorial]

[Text] We already said it in our editorial of 3 February, and we repeat it now: The unemployment that is accompanying the layoffs, seen from a social perspective, is not fair; but it is inevitable in the context of the reconciliation and economic reactivation.

Nevertheless, there is no justification for the attitude assumed by some state institutions and officials who, far from placing themselves at the forefront of the situation that is created for the laid-off workers, have spent their time passing the buck, casting the blame on labor and trade organizations.

The negative impact of this type of behavior has been felt immediately, in terms of labor efficiency and productivity. What worker who knows his workplace will be subject to layoffs can dedicate himself fully to his work until the uncertainty is gone?

And this feeling of uncertainty is not limited to those who are new or who have committed some violation of work regulations; it is one thing to define general policies that contain criteria such as seniority and performance, and it is another to apply these parameters to the actual business or institution, where other situations come into play, including personal judgments and interpretations.

Thus, it would not be at all fair—within the unfair context of the general impact of unemployment—for everyone to be lumped together, and for the opportunity to apply Article 116 to turn into an excuse for arbitrariness and institutionalized irresponsibility.

It is the direct responsibility of the labor and trade associations, plus the Labor Ministry, to make sure the layoffs are carried out for the sole and exclusive purposes for which they were designed. At no time should these organizations play into the hands of the businesses and officials who do not want to have anything to do with this hot potato. Their prestige and credibility with the workers are at stake.

From the moment the measures were announced, the revolutionary leadership has emphasized the transparency that should prevail, both in the explanation of the measures and in their implementation.

The best example—and perhaps the only one so far—of how to proceed with this transparency and also of how to be at the forefront of the laid-off workers, has been the Interior Ministry, with Commander Tomas Borge in the lead.

Expressing the feelings and thoughts of the revolution, the interior minister has been frank and direct with the combatants who are swelling the ranks of the laid-off. Realism, fraternity, transparency, moral solidarity, and to the extent possible, material solidarity, was the message that the chief of the Interior Ministry sent to those whom he considers to be not just laid off, but in the function of Commission and Service, obliged by the circumstances.

That is the transparency and candor that the other sectors of workers subject to layoffs are expecting. That is the orientation and tone that should prevail; because no patriotic worker, even if he is unemployed, will give up on the revolution. But laid-off workers will have more than sufficient reason to defend their dignity and criticize those who, instead of seizing the bull by the horns, have decided to wait for others to take their place, or worse yet, do not obey the letter and spirit of the measures.

* Effects of Cutbacks in Education Discussed

* 'Restricted' FSLN Document

32480089a Managua LA CRONICA in Spanish 7 Feb 89 p 8

[Commentary by Leslie Gonzalez Salazar]

[Text] A few days ago, a friend of mine at the Ministry of Education lent me a "confidential" document of "restricted circulation," titled "Measures to Reduce to the Utmost the Budget for the Education Sector in 1989." The virtue of this document is that it shows us the crab walk that has been used; its path has been just the opposite of what was expected. Another selling point is that it tells us that for the workers in the social sector, the new year did not begin on 1 January, but on 5 December, when the bureaucrats in the government finished conspiring against social services. Long before the bureaucrats finished concocting the plan for the new spending budget of the republic and the new layoffs, some news media were providing advance information. They even had the audacity to publish some information that they had managed to pick up after it was leaked through cracks in the hermetic government offices. Finally, the authorities themselves took the unpleasant step of denying everything the media were reporting, saying that "it is not true that the education budget will be reduced," "there will not be any new layoffs," and "the health budget will not be reduced, because these are priority sectors for the revolutionary government."

The "policy of truth" has been replaced by the policy of deceit. The document lent to me by my friend, which I have on my work table, completely destroys all the arguments of the bureaucrats who stated that there would be no budget cutting and no new layoffs. In fact, it reaffirms what the news media said at the time. Among the dramatic measures we find in the document are the following: "Scheduling budgetary resources on the basis of the average enrollment of the last 3 years in state education, which means about 77,000 fewer students in non-higher education and some 6,500 in higher education; eliminating 6,888 jobs/positions in non-higher education and 1,847 in higher education; implementing alternative forms of financing for education (e.g. student fees, direct management of external resources); reducing the 22 present university colleges to 10; making a 50-percent cut in the state subsidy in groups 02 and 03 of the Central American University (UCA), the Nicaraguan Polytechnical University (UPOLI), the Agriculture School of Esteli, and the School of Agriculture of Rivas; reducing by 27 percent the national scholarship plan, eliminating 1,700 of planned scholarships and devising a stricter scholarship policy that is more consistent with priority careers, and reproducing the specialized cadres of the revolution; adjusting the principle of free education, establishing basic fees for all majors and specializations in higher education and differentiating fees according to campuses, day courses, night courses, etc.; substantially reducing benefits under the collective bargaining agreements to be signed; reducing the coverage of registration in state universities, eliminating entry into the Preparatory School and the Departments of French, Russian, Arts and Letters, and all those that have a demand of less than 20 students..." I have selected these measures from the document because they seem the most important, and they give us the image of the "new" concept under which education will function this year.

According to the information contained in this document, the overall decline in enrollment is 83,500; if to this we add the average of 150,000 students aged 7 to 12 who remain without schooling each year, we have a total of 233,500 fewer students. On the other hand, the number of teachers to be laid off is 8,735, which is equivalent to the number of employees who for various reasons have left the teaching profession every year since 1984. When the document proposes "to implement alternate forms of financing for education (e.g. student fees...)," it is denying what the Constitution itself guarantees with respect to free education (Article 121 of the Constitution). And anyone who thinks or writes about free education is either nearsighted, has never visited a school, does not have children in school, or is a paid apologist for the government's political propaganda: Education has never been free. After the triumph the payment of school fees was eliminated, but the students were forced to make financial contributions by paying for cleaning the campus (fees for sweeping, mopping, chalk, erasers, etc.); then the so-called "voluntary" fee was dreamed up, but the fact was that if the parent did not pay the "voluntary" fee, the child would not be registered. With the exception of 1984, when educational materials were provided free, the other years students have been charged at black-market rates.

The weight of the bureaucratic demagoguery that the university must still bear has subjected it to a constant process of personnel cutbacks. The exercise of will has been imposed on it, destroying the few good things that existed. Little by little, the best professors have left the university. Some have tacitly resigned, while others have gone on indefinite sabbatical, never to return. Now the authorities themselves have fallen victim to their own ghosts; since the beginning of the triumph they organized a gang of pests (methodologists, supervisors, evaluators, educational statisticians, planners, pedagogical researchers, didactologists, etc.) whose job it was to make life impossible for the full-time faculty. It was no longer a question of whether a person was a good teacher or not; everything depended on the evaluation of these bureaucrats, who measured the quality of education by looking at whether the teachers used the eraser right, whether they handled the chalk well, whether the teachers used the strap in the classroom, whether they had a folder to put class cards and notes in, etc. And as if that were not enough, they were and are subjected to the political manipulations of the party structures of the ATD and the party, who must give the green light for any professor to go for a scholarship or move to a new salary category, or to obtain a card to go into a supermarket or a ticket to go to the theater. They decide whether the professor will receive a medal as a vanguard or a builder of the future, etc.

This process of spontaneous layoffs in the university has become more critical this year: All the English professors resigned from their posts; the professors who were left in the French Department are being pressured to take a year off without pay; only four students signed up in the English Department; the number is the same in the French Department; of the students who were in the Spanish Department last year, only 20 returned; every year the Preparatory School has to break in a new rector. And, incidentally, no new admissions will be allowed in the Preparatory School, which means that "the children of workers and peasants" will no longer have the opportunity to send their children to the university. Moreover, the reduction of the 1,700 scholarships is a matter of backlogs, as the bureaucrats say; the scholarship program was never carried out. This is a rarity; when there were scholarships, the students did not accept them readily. This is a problem to which education sociologists can find no solution, and some have regarded it as something unfathomable; but no one dares to say that this scholarship program is a political program. According to the document I have before me, Dr Sergio Ramirez said at a meeting with the minister of education that the scholarship plan had to meet two basic objectives: "Give opportunity to the poorest sectors of the population so that they can study a profession, and also attract future political cadres for the Sandinist Youth." But, as always happens, the results are in inverse proportion to what the policy proposes; as soon as the students realize the true purpose of the scholarships, they abandon them immediately.

This assault on the education sector is nothing new. On the contrary, what is new is the impact of the measures. Since 1984, the government has been seeking ways of cutting the social costs of reproducing the labor force. It is worth noting the charge for transportation to the university, the charging of registration fees, the sale of educational materials, the suspension of the university cafeteria, the transfer of financing to the schools for repairs to their own campuses. On the other hand, this reduction of social costs results in more unemployment, less opportunity to get an education, less enrollment in school, more illiteracy, lower levels of education in the population, and more difficulty for parents in keeping their children in school. But the paradox is that the document points out that this is consistent with "not losing the logic of the revolutionary program and defending the power won by the people on 19 July," which amounts to involving the dead to justify the present. In addition, it says that "imperialist aggression, the economic blockade, and unjust terms of trade are the only factors responsible for the debacle that has hit the revolution." Walking crab-like is the only possible way, and for this they need to keep the reasoning that we do not make such serious mistakes so that we can move forward.

* Minister Details Cuts

32480089a Managua LA PRENSA in Spanish
6 Feb 89 pp 1, 12

[Article by Julio Cesar Armas]

[Text] Vice Minister of Education Julian Corrales granted an interview to LA PRENSA in which we managed to deal candidly with some of the serious economic problems facing Nicaragua's educational program.

We were able to complement that interview with a look at the budget for the Ministry of Education (MED) in 1989, and a pertinent comment made by Conservative Deputies Sergio Torres Ogregario and Cesar Augusto Castillo. The two members of parliament are advisers to the Special Economics and Finance Commission on the Budget Presented to the Assembly.

We began the interview with Vice Minister Corrales, asking him about the percentage and amount of reductions the MED had suffered in the budget cuts. He responded that the proportion is between 18 and 20 percent, but the MED will continue educating the same average number of students as have been educated in the last 5 years, that is, just over 1 million students.

Next we went on to the matter of reduced subsidies for private schools. The vice minister responded that the MED is conducting an analysis of this situation to set the amount of these subsidies, in accordance with its possibilities. It is important to note, he said, that the students who have been in private schools and whose parents can no longer meet the new expenses may find a place in the public schools.

He added that there are parents who can meet these costs, and they will have to pay all of them when they register their children; they will receive no state subsidies. "We are making careful cuts in the subsidies, in accordance with the functioning and the economic potential of the parents. In short, there are many questions that must be resolved in the meantime."

The possible layoff of teachers was another issue we asked about, and Corrales responded that a number of teachers have retired from the profession. "I don't have the figures on hand, but these positions will be eliminated and we will not have to resort to a layoff. As for the administrative personnel, we will proceed to place them in other positions. We are simplifying the current structures, incorporating employees in other areas," he commented.

We also brought up the matter of school supplies, and the high official reported that this time school materials, which the MED has traditionally provided free or at low cost, will be given preferentially to adults who do not know how to read and write. Priority will also be given to children in the first through sixth grades. Secondary students will have to pay for their own materials.

Corrales indicated that the school construction projects that were begun with the revolution proceeded at a rate of two classrooms per day, but since the war and the economic blockade began, this construction has been limited to modest rural schools, with the effort of the communities and resources from the MED, plus some international aid.

As for desks, of which there is a great shortage in the schools, he responded that during the previous dictatorship a maximum of a half-million students were taught, and that this shortage of desks was already apparent. "We," said Corrales, "are educating 1 million students. But we already have a school furniture factory in the San Benito sector; although it is not operating at full capacity in 1989, it will enable us to overcome this problem in the short term."

Another problem we brought up with the vice minister is complaints by many young people with a "bachiller" degree who are not allowed to pursue the career of their choice. He answered: "We must bear in mind that educational opportunities have grown. Before, about 500 young people studied medicine; today it is nearly 1,000. For example, we don't need so many attorneys, because we need more industrial technicians and professionals in engineering and the agriculture-livestock sciences. We are giving scholarships in those areas, and enrollment has expanded. In addition, in the selection of those scholarship recipients, we have to bear in mind their background, their qualifications, and we must assure ourselves that these professionals, such as doctors, will return to their places of origin throughout the national territory so that the entire population will benefit. We cannot concentrate all the doctors in just one city like Managua."

Our final question to the education official had to do with the complaints by parents and students who have described the education that is being imparted at all levels as alienating, manipulated in favor of the partisan interests of the Sandinists. Corrales responded by saying that in 1982-83 a national consultation was carried out, in which parents, teachers, industrial sectors, professionals, and urban and rural organizations participated. The results of that popular consultation determined the goals, objectives, and principles of the new education, even if they may have an orientation that does not satisfy a certain sector. But we must recognize that it is a question of forming different values than those of the past, he emphasized.

Other Side of the Coin

To complete this report, we spoke with Conservative Deputies Sergio Torres Ogregario and Cesar Augusto Castillo, who have copies of the Budget'89 sent by President Daniel Ortega to the National Assembly. There we learned that the overall budget of the MED is about 28.267 billion cordobas.

The deputies said, "How is it possible that UCA alone gets 1.14 billion cordobas, while the state universities get only 4.25 billion, when they have more students?"

"Another matter in the education budget that leaves us cold," said the deputies, "is that we have always assumed that the Cuban teachers or 'collaborators,' as the budget calls them, were sent here free by Fidel. But now it turns out that we have to spend no less than 37 million on the one hand and 112 million on the other; that is, nearly 150 million cordobas, when it is well known that the majority of them have left the country."

"I think," said Castillo, "that they are not teachers at all, but military advisers. Besides, education in Cuba is no better than in Nicaragua, and they have nothing to teach us."

Castillo questioned the situation further, saying that all of this should be cut and given to Education, Health, and the Supreme Court of Justice, which is about to close more than 400 courts throughout the republic. He said that the 4.25-billion-cordoba budget allocated to the Delegates of the President in six regions should also be cut, because they don't do any good. They are viceroys who live like kings. He cited the example of Deputy Federico Lopez, who lives in Granada in the house that used to belong to the Pellas, a huge mansion where incredibly decadent parties are held.

"These viceroys live better than Daniel Ortega, and they have a big labor bureaucracy that doesn't produce anything or benefit the country at all, except that they organize the 'mobs' that they encourage to commit abuses all over the place. I have seen it with my own eyes," added Deputy Cesar Augusto Castillo.

He concluded by revealing that even the people who went to get training in Cuba are being laid off from the MED, and teachers with 10 or 15 years of service are being let go because even the demand for school enrollment has fallen. Enrollment is down so low that where there used to be three classrooms for the initial secondary grades, now there will be only one, for lack of students. As for service personnel, the payroll will be cut by at least 10 percent.

Panama

PDC Legislator Cochez on Journalists' Arrest

PA2103155689 Panama City Circuito RPC Radio in Spanish 1335 GMT 21 Mar 89

[Statement by Christian Democratic Party legislator Guillermo Cochez during program "The Voice of the Civic Democratic Opposition Alliance" program—live or recorded]

[Text] We are going to comment on the arrest of journalist Alfredo Jimenez Velez, which was prime news yesterday.

The illegal and arbitrary detention occurred yesterday at his residence—where he also has his office—located at the Casablanca condominium, 2 Via Grecia, Nuevo Reparto El Carmen neighborhood in Panama City.

Well-known Wilfy Jimenez was working on two opposition media: A newspaper he was editing for the Christian Democratic Party [PDC], EL CIVILISTA... [corrects himself] LA ESTRELLA CIVILISTA, which will be published today and will continue to be published 3 times a week; and a radio program that was scheduled to begin today—and which will begin today—on Radio Mia from 0815 to 0915, which will be retransmitted by Radio Alegre from 0900 to 1000 daily and by La Voz de Panama from 2000 to 2100. This program was to be directed by Wilfy Jimenez and Migdalia Fuentes de Pineda, with Leroy Civilista—I am sorry, Leroy Hubbard Kitson Joseph—as news director.

The newspaper EL CIVILISTA [as heard], of which Wilfy Jimenez was one of the main collaborators, will be published today, and the radio program will be aired, despite Wilfy Jimenez' arrest.

Following Jimenez' arrest yesterday, we went to his residence. There were two G-2 agents outside, who could not give us much information. His sons, Aurelio Jimenez Clement and Alfredo Jimenez Clement, had also been arrested, as were his secretaries, Anita Diaz de Ulloa and Lourdes Leivar.

I assume the charges filed against Alfredo Wilfy Jimenez will be related to what is considered subversive material to incite violence. In this regard, I believe all Panamanians will soon be charged with this crime—because we all have white toilet paper in our homes—particularly after the avalanche of votes that will result in a difference of more than 500,000 votes against the government. I would not be surprised to find out that now a new crime has been incorporated into our penal code—practicing witchcraft. Wilfy Jimenez is accused of doing just that: practicing witchcraft to overthrow the government.

CRITICA Comments

PA2103141089

[Editorial Report] Panama City CRITICA in Spanish on 21 March carries on its front page a 400-word report on the arrest of Panamanian LA PRENSA reporter Wilfredo Jimenez and other members of his staff. The banner headline of the article reads: "Just as in El Salvador, They Wanted To Bring a Bloodbath." The article reports statements by Assistant Attorney Mario Ballesteros. The article does not mention El Salvador except in the headline.

Noriega on Salvadoran Elections, Military Role

PA2103172289 Panama City Domestic Service in Spanish 1554 GMT 21 Mar 89

[Impromptu news conference by General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, with unidentified local and foreign reporters at the French Cemetery in Paraiso—live]

[Text] [Noriega] This ceremony is being held to commemorate the canal crossing by the "Jeanne D'Arc" training ship. The ship is making this voyage to commemorate the 200th anniversary of the French Revolution. It is now passing through Panama, which, in my opinion, is the most significant part of the ship's crossing.

[Reporter] General, what can you tell us about the results of the Salvadoran elections and what those results mean for Central America?

[Noriega] [Passage indistinct]

[Reporter] General, what can you tell us about Desmond Tutu's condemnation of the U.S. economic blockade against Panama?

[Noriega] As for the Salvadoran elections, I can see that the degree of violence there was obviously aimed at attaining different methods and a different administration. The main thing is for Cristiani, Sigifredo Ochoa, and D'Aubuisson to continue the dialogue with the Salvadoran rebel groups. Regarding...

[Reporter, interrupting] Tutu's condemnation of the U.S. blockade?

[Noriega] Oh yes. Tutu's attitude is that of a realistic religious man and a peaceful, nonaligned man.

[Reporter] General, what is your message for the new Salvadoran president?

[Noriega] He will receive a message from his country's situation. We should not be meddling in other people's business; only certain parties with certain ideologies interfere with other countries' sovereignty.

[Reporter] Do you believe the military is an essential factor to achieve regional peace?

[Noriega] Absolutely. I have always said that and I repeat it today. There cannot be an imbalanced peace. Peace is not achieved only with good thoughts. The achievement of peace requires the participation of the parties that are part of the problem.

Violence is composed of two things: violent people and those who repress them. The Army represses the violent people; therefore, the Army must participate in the dialogue with the rebels, who are the ones who die.

[Reporter] Do you think there is still hope for a dialogue in our country?

[Noriega] Are you talking about El Salvador or Panama? That is the problem with you journalists; you are always trying to trip us up.

[Reporter] General, what can you tell us about our country's political situation? [Station announcer interrupts and says this is the end of Gen Noriega's statements]

[Noriega, in progress]...in party politics and other elements such as the labor unions, which are peoples forces. In other words, the peoples forces are already playing a decisive role, which is difficult to change. I believe the peoples forces, which comprise the needy, the blacks, and the downtrodden, are seeking their welfare.

[Reporter] General, the opposition says [words indistinct].

[Noriega] They do not have another banner. [crowd laughs]

Solis Bids Farewell to Delegation to Namibia

PA2103044889 Panama City Televisora Nacional in Spanish 2300 GMT 20 Mar 89

[Text] There was a ceremony this morning to bid farewell to the delegation of Panamanian officers that will take part in the UN mission to observe Namibia's transition to independence.

At the Presidential Palace, President Manuel Solis Palma presented the Panamanian flag to Lieutenant Colonel Aquilino Sieiro, chief of the Panamanian delegation. In addition, General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces [FDP], presented the FDP banner to Sieiro.

Chaplain Lieutenant Colonel Carlos Velarde blessed the banners and wished success to the 20 Panamanian officers in their task in Namibia.

President Solis Palma spoke at this event and said:

[Begin Solis Palma recording] On behalf of the Panamanian Government, I want to express our recognition to the FDP for having been, at all times, a bulwark for the country's peace and tranquillity, and for carrying out international missions such as this.

Today, when you participate in this contingent that will witness Namibia's independence, I want to highlight the basic difference between your mission and that which others try to carry out in other countries.

You will witness the independence of a country that has been dominated by racist forces that are rejected throughout the world.

The United Nations assumed the responsibility of bringing independence to Namibia. You are not going to intervene in the domestic affairs of a new state. The United Nations will be forming an independent state, and once this state is formed, it will have the right to self-determination and to follow its own destiny in accordance with its own situation.

You are not going there to intervene; you are going to seek peace and independence for a nation that is entitled to it.

I wish you luck and I congratulate the FDP commander, the General Staff, and all the FDP members for this honor that the United Nations has given you. This is not an undeserved honor. It is the confirmation of the enviable devotion of the FDP. Good health and good luck. [end recording]

'Study Mission' Issues Communique on Visit

PA2003054689 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Mar 89 pp 1, A-3

[Communique issued in Panama City on 16 March by the Council of Freely Elected Heads of State delegation that visited Panama between 12 and 15 March]

[Text] I. The Delegation

1. Former Presidents Jimmy Carter of the United States and Daniel Oduber of Costa Rica and President Carlos Andres Perez of Venezuela, at the instruction of the Council of Freely Elected Heads of State, commissioned a delegation to visit Panama between 12 and 15 March to observe and assess current laws and procedures surrounding the elections scheduled for 7 May 1989.

This communique contains various preliminary considerations and conclusions that will be included in a final report to be submitted to the Council of Freely Elected Heads of State before the end of the month.

2. The mission that visited Panama between 12 and 15 March was composed of Carlos Monga Sanabria, member of the Costa Rican Legislative Assembly; Ambler Moss, dean of the University of Miami's Graduate School of International Affairs; and Miguel Ocque, Venezuelan deputy. Its Advisory Committee was composed of Mark Fierstein, logistics coordinator; Larry Garber, election advisor; Jenny Lincoln, deputy director of the Carter Center's Latin American Program; and Ernesto Tapia Monlaner, election consultant.

3. During its stay in Panama, the study mission met with the president of the Republic, the Military Strategic Council, religious authorities, presidential candidates of the National Liberal Coalition [COLINA] and the Civic Democratic Opposition Alliance, the Christian Democratic Party, the Nationalist Liberal Republican Movement, the Authentic Panamenist Party, two former presidents of the Republic, intellectuals, newsmen, mass media owners, the Panamanian Human Rights Commission, Civic Crusade leaders, and, most importantly, the Electoral Tribunal.

II. Observations

1. Our first impression of the legal framework regulating the elections is that it is appropriate and guarantees the participation of citizens and political organizations. However, certain opposition groups criticized certain legal voids and pointed out that the Electoral Tribunal is biased. These groups suggested that various changes should be implemented to reinforce citizens' trust in the elections.

2. It was pointed out to us that the election register has repeated names, changes in the places where voters must cast their ballots, and an unusual increase in the number of voters. However, the Electoral Tribunal explained to the delegation that these problems can be reported to the prosecutor's office and that the procedure to resolve them is established by the Electoral Code.

The delegation believes an investigation into these matters would significantly contribute to building trust in the election process.

3. The delegation confirmed that because of various technical problems, citizens who requested identification cards on time were not able to obtain them by the established deadline.

4. The delegation listened to several complaints from the opposition that the media, particularly newspapers, are not impartial. There is a consensus, however, that Circuito RPC Television and Telemetro Television broadcast propaganda from and report on the activities of all the groups that are participating in the election campaign. The most serious complaint, however, deals with the closing of several media, including newspapers and radio and television stations. It has also been emphasized that self-censorship has been imposed on most of the media.

5. The opposition reported that the Panama Defense Forces [FDP] have been directly participating in the election campaign. The opposition also said that the owners of public and private buses have been forbidden to carry opposition followers to political events. In addition, COLINA has reported that the U.S. Government has been providing material and financial support to the opposition and that the U.S.-imposed economic sanctions pose the greatest danger to the development of democracy in Panama.

6. The delegation observed with concern that there is a climate of tension and confrontation between the forces that are participating in the election campaign, and that this situation has affected society in general. Solutions are not being sought, but the problems appear to be increasing.

III. Conclusions

1. The delegation thinks it necessary to create a climate of understanding between Panamanian political groups and other sectors to solve the country's serious problems. Only in this way will it be possible to create a climate of confidence so the results of the 7 May elections can be accepted by the people.

2. The delegation recommends that, in a spirit of national reconciliation, the Panamanian Government take the necessary steps for the media to operate freely and so Panamanians living abroad can return and freely exercise their civil rights.

Assuming that the elections will be truly pure and fair and that this would increase the people's confidence in the government, the various groups in Panamanian society should reach a national consensus to honor the results of the 7 May elections.

3. All of the groups that the delegation met with emphasized the importance of the presence of international observers and reporters in the country before, during, and after the elections. In addition, the government, the FDP, and the Electoral Tribunal said they are willing to permit the presence of international observers to correct the disinformation on the country's domestic situation that exists abroad.

The delegation believes international observers and reporters should stick to their specific duties, without interfering with Panama's domestic affairs.

4. The delegation hereby thanks the Panamanian people and government, church authorities, and the Electoral Tribunal for the warm welcome. The delegation declares to the local and international public that the members worked freely and without restrictions and that the government and people cooperated with the delegation at all times.

Panama City, 16 March 1989

Reaction to Communique on Election Observers

Opposition Leaders Comment

PA2103040789 Panama City Circuito RPC Radio in Spanish 1330 GMT 20 Mar 89

[Statements by PDC Legislator Guillermo Cochez and PDC member Jose Pitti during "The Voice of the Civic Democratic Opposition Alliance" program—live]

[Text] [Cochez] I read a report yesterday in LA ESTRELLA DE PANAMA that will interest all of us. It says that the Electoral Tribunal has announced it will only recognize election observers that it invites to Panama.

The report says that in a communique issued Saturday by the Electoral Tribunal, the Presidency of the Republic—I do not know if there is a Presidency of the Republic, I know there is a minister in charge of the Presidency—anyway, the communique says that according to the formal commitment to guarantee normal elections according to the Constitution and the law—they were probably shaken when they mentioned the Constitution and the law—the government will support and enforce all decisions made by the Electoral Tribunal to guarantee free and orderly elections. I wonder what the people who wrote this were smoking.

The communique added that, therefore, the Electoral Tribunal is obliged to inform anyone interested in acting as an international observer that only those holding a valid invitation from the Electoral Tribunal will be recognized, and that anyone not authorized by that institution will not be allowed to act as an observer.

Why are they so worried? They should let international observers come. As you may recall, we have said that the Electoral Tribunal's special guests will be Chan Chu Yo from China, Abraham Urna from the Middle East, Armando Latrampa from Cuba [fictitious names that are puns that refer to election fraud]. Are these the kind of observers they want, or do they want observers like [former U.S. Ambassador] Ambler Moss, who only sees one side of things? Or will they have Libyan, Sandinist, or Saharan representatives? Those are the kind of observers who as soon as they arrive here would go to—or would be taken to—Contadora Island—in one of those huge yachts that should have already been sold—to enjoy themselves. Then, after having a ball on 4, 5, 6, and 7 May, on 8 May they would say that the elections were absolutely clean, without visiting one single polling station.

[Pitti] That is right. Or they might just watch Televisora Nacional's election reports, after which they will say there were free elections in Panama.

Actually, if the Electoral Tribunal and the government have nothing to hide regarding free, honest, and impartial elections, they should allow all the international observers who are interested in coming to do so. That way those observers could confirm that the elections are free and honest. If they have nothing to hide, they should permit any international observer who wishes to come to do so.

MOLIRENA President

PA2103031189 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Mar 89

[Statement by Nationalist Liberal Republican Movement President Alfredo Ramirez; date and place not given—recorded]

[Text] The Nationalist Liberal Republican Movement [MOLIRENA] wishes to state that it believes the Panamanian Government's communique is a very serious matter. This communique states that the government will only recognize international observes invited by the Electoral Tribunal. This means that only those organizations and persons especially invited by the Electoral Tribunal will be eligible to supervise the elections. We believe well-known international observers are needed to observe the conduct of the Electoral Tribunal, the Panama Defense Forces, and the Panamanian Government. If the observers invited by the Electoral Tribunal are the only ones that can speak about what is happening in Panama, then we will be establishing a system in which the Electoral Tribunal vouches for its own actions—and that would be absurd.

The observers must be impartial men who enjoy international prestige and who will tell the world the truth about the Panamanian elections.

Civic Crusade Responds

PA2103025389 Panama City Circuito RPC Television in Spanish 2300 GMT 20 Mar 89

[Interview with National Civic Crusade coordinator Carlos Abadia by unidentified reporter; date and place not given—recorded]

[Text] [Abadia] This [not further identified] is very dangerous. They [not further identified] are violating the Constitution and the Electoral Code. They are pressuring government employees—we have seen this happen with Health Ministry employees—to disclose their political affiliation and their relationship with COLINA [National Liberal Coalition]. It is illegal to do this. It is a way of intimidating government employees.

[Reporter] The government has warned that it will not allow the presence of international observers not invited by the government. What is your opinion of this?

[Abadia] The National Civic Crusade is inviting between 150 and 200 international observers. We do not understand the government's attitude, which is actually contrary to its promise of clean and free elections. I do not see why the government should object to anyone observing the clean and free process they are promising. I feel that allowing the presence of international observers is the best thing the government could do. If they do not allow international observers, then they are contradicting themselves.

The opinion of the international observer is the opinion of a person who enjoys political prestige in his country. His opinion is, therefore, valid. We choose an observer based on his moral behavior. Whether or not the Panamanian Government recognizes our observers will not really make a difference. What will make a difference will be the opinion these observers will express when they return to their countries.

Carlos Duque Delivers Banquet Speech 14 Mar

PA1703140389 Panama City CRITICA in Spanish 16 Mar 89 pp 14, 15

[Speech by Carlos Duque, COLINA presidential candidate, at banquet held at the Marriott Hotel in Panama City on 14 March]

[Text] Thank you friends. These are the first words I must say to you this evening, which will be unforgettable for me.

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Thank you for proving to me, with facts, that I was not wrong in thinking that friendship is the most precious feeling the human heart can treasure.

Thank you for inviting me to share with you the wine and bread of the pilgrim who is constantly seeking to do the best for those close to him, especially for the land in which he was born.

You invited me here in the name of friendship, which is why the first thing I must tell you is what I think about friendship.

For me, friendship is more than a word, an idea, or a concept; it is a condition of the soul, a permanent light for men's spirit. It is not a flash that arrives, strikes, and departs, but an unalterable climate under the protection of which affection, respect, altruism, and reciprocal support in good and bad times grow.

According to what I feel and practice, friendship allows friends to talk about anything. There are no forbidden topics among friends, despite differences of opinion. Friends can discuss and disagree without ever having to break their friendship.

We have attained this position, because we traveled the paths of friendship, which is why I agree we must not forget I have been appointed presidential candidate by a number of political parties.

Obviously, this is neither the place nor the time for me to talk about the specific guidelines the government I will inaugurate in September 1989 will follow. However, being among friends here, I must tell you my government's philosophy and basic goals.

To give you a specific idea of how I view the government that Panama needs, let me recall the words of Ricardo J. Alfaro, a distinguished Panamanian, who, referring to Simon Bolivar, made statements that apply to government actions. The work of a government must be: "As vast as the horizon, as deep as the ocean, as high as the sky, and as universal as the vision of God."

Following those ideals, I will govern Panama for the people. We are the people—adults, children, students, Indians, businessmen, workers, professionals, teachers, public employees, the needy, the wealthy, whites, blacks, yellows, mestizos, those present and those absent—they all are the people. The unborn children of our homeland are also the people. We must take care of them by protecting maternity. Those who have already left us are also the people, and we must keep their virtues as an example for present and future generations.

I will give special attention to the peasant, because he is an important part of this complex and multifaceted society; I will feel obliged to him as president. I will pay special attention to the man who fertilizes the land with his sweat, to the man who dreams of the germination of a seed, to the man who enjoys seeing his dream come true when he sees the new fruit, which is food, progress, and peace for the homeland.

It will not be difficult for me to become aware of the people's reality, because unlike others, I do not need to go and see it for the first time. To find the people, I only have to look at myself. I was born as part of the people, I continue to be part of the people, and I will always be part of the people. I have seen my own hopes, needs, frustrations, and triumphs and those of the people who have always been close to me.

What do the people urgently need? Our people are so close to us, yet we look at them as if they were so far.

Our people want equal opportunities for all; they want faith and justice; they want to work and to be respected; they are determined to be fully respectable. We can condense all that in my ample conception of friendship. The Panamanian people want everybody to be their friend and they want to be friends with everybody. We have no reason to exclude the U.S. people from that desire. We will promote the resumption of the cordial relations that have always linked us. We will struggle to strengthen those ties within a framework of mutual respect and appreciation and the strict fulfillment of the current commitments between the two nations: the treaties, which are laws that neither of the two parties can violate.

The current situation has taught us we must become self-sufficient in most fields and must diversify our foreign relations so we will not have to hook up to anyone else's vehicle of conquest.

We will not promote strange rightist or leftist ideologies or doctrines. We will be with Panama.

We possess a deep-rooted vocation for peace. We have been a democratic country since we joined the international community. However, we want our own type of democracy; we do not want an imported or imposed democracy in English, German, or Italian. We want democracy, period. We do not want a democracy with last names, labels, or with any other adjective that is not the adjective Panamanian.

Our people want their vote to be respected. Because my arrival at the presidential seat will be absolutely pure and legitimate, I will seek ways to maintain that respect for the vote unaltered by time so it will become a characteristic element of Panamanian elections.

I know the Panamanian people's needs, because I have felt them myself. Knowing the needs is a good way to begin seeking solutions. In addition, I am very willing to turn plans into reality. I presently lack what I will soon have: the authority to carry out those plans. I will obtain that authority from the Panamanian people, a loyal people, people just like you, who know and feel sincere friendship.

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I will head a government in which everyone will have the opportunity to do everything except hate, because hatred belittles and we want a first-rate government. We want a government in which COLINA [National Liberation Coalition, meaning "hill" in Spanish] will become a mountain on whose summit will always blow winds of harmony, progress, and justice.

Our government will be attentive to the people's wise voices, because not listening to them is going against nature. Those who violate and forget the laws of nature may face peoples' reactions such as the ones being faced in sister nations when friendly governments turn deaf ears to the painful outcry of those who suffer.

I need the help of all Panamanians to structure our government. When I say all Panamanians, I am extending an open invitation to those who remain undecided. To them, I say the road to take is the one that we, who have accomplished a great deal, have traveled on, overcoming any mistakes that might be made along the way and are to be expected in all human endeavors. One cannot take the road traveled by those who have limited their actions to a string of rejections and to the constant use of the expression "get rid of that," without indicating what they believe ought to replace what they have removed. We must follow the course charted by those who write about the things they have done that are a part of history. We must not follow the narrow path of those who have an eraser but write nothing.

My words are addressed to those who feel apprehension, to those who are fearful to the point of being scared about the future. I would remind those people defeat is the prize awaiting those who surrender. To those who do not fight, and who—lacking goodwill, and having a penchant for betraying our country—believe aggression can defeat us, I offer this reminder: The sword of the brave will be made with steel from the weapons of the vanquished!

These words of optimism are not empty sayings; they are a sign of confidence and trust in the Panamanian people. These words also signify a new drive, leading us toward a better future. I address these words to the private sector, the business entrepreneurs, the loyal and hardy public employees, the industrialists, and the merchants.

We have everything in our favor to carry out this restructuring. We have our basic natural resources. Our geography is our destiny, because Mother Nature placed us at a point equidistant from the large centers of progress, and because we are an isthmus with a river—the Chagres River—which shortens the journey from one ocean to another for the benefit of all mankind. Because we have all this and much more, the future will be ours, supported by the solid foundations to be laid by us.

Panama cannot fail to take advantage of the benefits provided by the Colon Free Zone, whose continued operation I aim to maintain, strengthen, and increase.

Broadly speaking, this is how I intend to govern as of 1 September 1989. This is how I will do it, with God's help, and—my good friends—with your support at the ballot boxes.

I am certain we will win, because intelligent people, such as the Panamanian people, can have no doubts about us, since we have fought and will continue to fight to break chains while others pay attention only to the sound of their cash registers, supporting aggression against our territory and crying out for foreign armed intervention.

Once we attain the reward for our efforts, I will behave as the true friend I am. I will do all I can to maintain and strengthen peace while making it secure, so no one, neither from within nor from outside, can harm it. When the time comes, with the support of the people, and with the support of you, my friends, I will be able to say, with humility and steadfast determination: "The people gave it to me; God help anyone who tries to lay hands on it."

Thank you. Thank you very much, my good friends.

ADOC Candidate Outlines Government Plan

PA2003184889 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Mar 89

["Excerpts" of speech by Guillermo Endara, Civic Democratic Opposition Alliance (ADOC) presidential candidate, at a dinner held at the Marriott Hotel in Panama City on 16 March—recorded]

[Text] We will respect each honest and efficient public employee's right to a stable job, regardless of their political affiliation. The law establishing an administrative career is one of the pillars of the new republic that we will inaugurate. State institutions will not be involved in political activities. [applause]

I would like to use this occasion to vigorously state that the government we will inaugurate on 1 September 1989 will not issue any laws that will surprise nor will we issue any laws without prior consultation. We will eradicate the well-known, early-morning coup [madrugonazo], which has been overused by the current regime. [applause]

Operating permits for public buses and taxis, and licenses granting port concessions will be issued in the open and not through obscure agreements, by which those permits and licenses are paid with the license and permit holders' renunciation of their own wills. [applause]

We will present a bill to appoint the institution that will be in charge of administration over the Panama Canal. That institution will guarantee that the Panama Canal Commission's Panamanian personnel's working conditions are equivalent to the ones they currently enjoy. The following should be very clear: We will demand that the United States faithfully fulfill the Panama Canal treaties. We will demand that the United States absolutely return the canal on 31 December 1999. [applause]

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Please let me make a solemn commitment: The government of national reconstruction will never, will never, print paper currency. We will continue using the monetary system...[applause interrupts]

Conclusions: It is strictly necessary for all Panamanians to unite in their wills and actions to recover full national integrity. We must discard resentments and thirsts for revenge, which are the product of the division created within the Panamanian family. Let each of us recognize the role our homeland is asking us to play so we defend an effective and true sovereignty without demagogy and distortions.

The private sector will be an essential element for national development. We need a legitimate and democratically elected government that can regulate, promote, and support private initiatives. We need international respect. That respect will be the result of unity and respect among Panamanians.

We cannot delay the implementation of actions that will allow us to escape the current situation of poverty, misery, frustration, and division. More than ever before, our homeland needs the work of its best children now. May God help us to not disappoint our homeland.

Thank you very much. [applause]

Ritter Charges U.S. With Immorality

PA1903155489 Panama City CRITICA in Spanish 18 Mar 89 p 24

[Report by Jorge Mombeliard]

[Text] Panamanian Foreign Minister Jorge Ritter yesterday told CRITICA the U.S. Government had gone from acting illegally to acting immorally when it allowed former President Eric Arturo Delvalle to squander Panamanian funds "for purely personal purposes."

In exclusive statements to this newspaper and speaking on behalf of the Panamanian people—"who are hungry and living in poverty"—Foreign Minister Ritter protested that—to the surprise of everyone except the Panamanian opposition—the U.S. Government had happily squandered the people's money.

Visibly upset, Ritter stressed Panama will reiterate its original charge presented before the Nonaligned Movement and the United Nations in an attempt to halt "the unjust economic aggression to which we are being subjected."

The foreign minister added that the charge will be presented with proof that part of the $62 million being withheld by the United States was given to Eric Arturo Delvalle for him to use as he pleased.

Ritter said the Panamanian opposition's attitude has surprised him, because he thought "that even the opposition would object to the stealing of the Panamanian people's money."

Infantry Units Express Support for Noriega

PA1703232089 Panama City CRITICA in Spanish 17 Mar 89 p 18

[Text] The anniversary of the foiled rebellion carried out by former Panama Defense Forces [FDP] officers against the military establishment and high-ranking FDP officers was marked yesterday with a luncheon for Urraca 4th Infantry Company units.

Urraca Company's Sublieutenant Ismael Ortega spoke at the simple ceremony. On behalf of his colleagues, he sent a message to FDP Commander General Manuel Antonio Noriega that he should be calm because all officers and troops of the Urraca 4th Infantry Company will protect him and hand over the garrison only to him, because every recruit will defend him. Let the commander give orders! Not a single step backward!

Speaking on behalf of the armed institution's staff, Colonel Elias Castillo Figueroa, deputy ground forces chief of staff, said that officers and troops who betray the fatherland and the FDP will get nowhere, because the 400 men who guard the garrison and the 15,000 people who comprise the FDP are ready to put down any rebellion in the country, anywhere between its borders and the Atlantic and Pacific Oceans.

Col Castillo added that Gen Noriega is proud of all the men who make up the FDP, especially those of the Urraca 4th Infantry Company.

Recruit Luis Carlos Lopez offered the toast. As he raised his glass, Lopez said that all company members are ready to put their lives on the line, that they would have to be dragged away, because we would die with our boots on should there be an aggression against the fatherland or an attack against this garrison. He added that our next-door neighbors will not tell us what to do, because we only take orders from Gen Noriega.

After the toast, Urraca Company soldiers mingled with staff members and enjoyed a delicious lunch.

Government Clarifies Promissory Note Measures

PA2003131389 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Mar 89 pp 1, C-49

[Communique issued by the Presidency's Press Secretariat at the closing of the Cabinet Council meeting held on 18 March]

[Text] The Panamanian Government, in a permanent effort to preserve the public employees' right to the 13th-month payment within the limitations imposed by the U.S. Government's aggression against Panama, this

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week met with the National Federation of Associations of Public Employees [FENASEP] and the Coordinating Board of State-Owned Corporations Labor Unions [COSIES] to analyze the experiences acquired through the issuance of government promissory notes to pay the remaining portions of 1988's 13th-month bonus.

As the result of this meeting and to reaffirm the reliability and negotiability of the promissory notes issued, the following was agreed upon:

1. All notes issued to cover the 13th month of 1988 will be redeemed prior to December 1989 by means of drawings. Every month, Banco Nacional will cash the notes thus drawn, in accordance with Decree 6 of 18 March 1989, which established the following redemption schedule:

Redemption Date	Capital (millions of balboas)	Interest [partial]	Applicable (as of) [accrued]
7 April 1989	3.0	1.5	1.5
5 May	2.0	0.5	2.0
9 June	2.0	0.5	2.5
7 July	3.0	0.5	3.0
4 August	2.0	0.5	3.5
8 September	2.0	0.5	4.0
6 October	3.0	0.5	4.5
10 November	2.0	0.5	5.0
7 December	4.0	0.5	5.5

2. The national government will continue its initiatives and negotiations with local stores and financial organizations so the stores can accept these notes in exchange for consumption goods and the financial organizations can accept the notes to be converted into cash.

3. The government has instructed Agricultural Marketing Institute officials to accept these notes in exchange for agricultural products at the institute's storage centers, low-cost staples sales centers, and other sales locations.

This agreement thus described constitutes sufficient proof of the goodwill and understanding between the government, FENASEP, and COSIES and their ability to jointly seek satisfactory solutions for the public employees' needs and to guarantee the exercise of their rights. This way, we will progress toward national liberation, keeping in mind at all times the people's demands and needs.
Panama City, 18 March 1989

Election Poll Predicts 85 Percent Voter Turnout

PA1803045589 Panama City MEDIODIA in Spanish 17 Mar 89 p 11

[Text] An election poll taken in the first week of March by DOXA [expansion unknown], a Venezuelan firm, revealed that 85 percent of Panamanian citizens intend to vote on 7 May to elect a president, two vice presidents, 67 deputies, 510 [as published] corregimiento representatives, and 11 councilmen.

A previous DOXA poll taken in November 1988 indicated that only 63 percent of Panamanian citizens intended to participate in the general elections.

The March poll also indicated that of the 12 legally recognized political parties, the PALA [Labor Party] and the PRD [Democratic Revolutionary Party] are the favorites among the government parties, while the leading opposition parties are the Christian Democratic Party and the MOLIRENA [Nationalist Liberal Republican Movement].

Furthermore, the DOXA poll estimated that only 2 percent of Panamanians will vote for Authentic Panamenist Party candidate Hildebrando Nicosia.

Official Says May Elections 'Guaranteed'

PA1803043589 Panama City LA REPUBLICA in Spanish 17 Mar 89 p 2

[Report by Garrit H. Geneteau]

[Text] Electoral Tribunal Director Yolanda Pulice de Rodriguez has asserted that the 7 May elections are guaranteed because the electoral timetable has been complied with, despite the economic difficulties caused by the United States.

Rodriguez said that it is now up to the political parties to do their share to complete the electoral process.

The high-ranking electoral official said that there are 172 cases for which decisions by the tribunal's magistrates are pending. She added that 120 of these are challenges and 50 are appeals.

Clandestine Station Reportedly Jams Radio

PA1903005189 Panama City MEDIODIA in Spanish 17 Mar 89 p 2

[Text] The clandestine station "Voz de la Libertad" yesterday jammed a broadcast of the Panama City radio Ondas Populares.

The subversive station, which carried brief messages against the country's authorities, was heard around noon yesterday during a newscast on Ondas Populares.

In the last few months three local radio stations, including Radio Nacional, have been jammed by the clandestine radio.

The subversive broadcast coincided with the commemoration of the 1st anniversary of a frustrated military coup against General Manuel Antonio Noriega.

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Argentina

Public Works Minister 'Doubts' Brady Plan

PY2103145689 Buenos Aires TELAM in Spanish 0331 GMT 21 Mar 89

[Text] Buenos Aires, 20 Mar (TELAM)—Public Works and Services Minister Rodolfo Terragno has expressed his doubts about the Brady Plan. He said that "if this plan involves the forgiveness of one-fifth" of foreign debt obligations, then there is "recognition that part of the debt cannot be paid."

"If this recognition is, indeed inevitable—as Venezuelan President Carlos Andres Perez says it is—then the plan seems to be very timid, obstacles are being placed in the way of our development, and the plan does not justify the excitement it has aroused," Terragno noted.

According to a communique released by the Public Works and Services Ministry, Terragno made these remarks after he reviwed a report that U.S. Treasury Under Secretary David Mulford delivered to the U.S. Congress on this issue.

The minister pointed out that "the plan involves disturbing compensations. In order to obtain a 20-percent reduction of their foreign debt within a 3-year period, the 39 countries chosen should accept conditions similar to those usually imposed by the IMF but for periods much longer than those established for a stand-by [preceding word in English] loan." he said

Terragno said: "This 20-percent reduction is less than the discount rate for the foreign debt of countries like ours on secondary markets. By forgiving one-fifth of the foreign debt, it is recognized that part of the debt cannot be paid," noted.

Army Troops To Carry Out Military Exercises

PY1703205089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1128 GMT 17 Mar 89

[Text] Rosario, 17 Mar (NA)—The Army has issued a communique that troops and armored vehicles from the II Corps will carry out military exercises in this city in the next few days. These excercises ordered by the II Corps commander are part of the plans for the training of military troops.

Since such deployments are unusual it was emphasized, "in order to calm down the population," that the purpose of these excercises is "purely military training."

The communique, which was released yesterday and signed by the commander of II Corps, General Isidro Bonifacio Caceres, reports that many armored vehicles, helicopters, and troops have arrived in Rosario.

The communique says that the helicopters, armored vehicles, and troops that have arrived in Rosario and adjacent cities are going to participate in military exercises to be conducted by the II Corps.

In any case journalists have ascertained that there has been a lot of movement at II Corps in the last few days and that a meeting of high-ranking officers was held yesterday.

It has also been learned that on 12 March three people, two men and a woman, were seen photographing the installations of the 121st Command Battalion, where Caceres usually sets up his command post.

Police could not find the people but arrested three men who had also been seen taking pictures of the same battalion.

* Menem's Lead Over Angeloz Seen Narrowing

33480123c Buenos Aires SOMOS in Spanish 8 Feb 89 pp 40-41

[Report by Ruben Correa: "Ups and Downs in May"]

[Text] Peronist Carlos Menem remains the favorite to win the presidential election on 14 May, but his lead over Radical Eduardo Angeloz is much narrower than a year or 6 months ago. In fact, not only has the La Rioja governor's lead been getting smaller, but it seems to be a steady trend, while Angeloz is improving his relative position, and the percentage of the undecided remains high.

These trends apparently hold not just in the capital and Greater Buenos Aires but in other areas of the country as well, according to a nationwide poll that the Secretariat for State Intelligence commissioned and which SOMOS has seen.

The poll was conducted during the first half of December by way of 4,552 interviews in the Federal Capital (720), Greater Buenos Aires and 7 cities in this province (2,416), Corrientes (510), Chaco (420) and Jujuy (486). The interviews were conducted in homes and on public thoroughfares with direct answers to a questionnaire.

The research indicates that in the capital the undecided vote is so high (37.7 percent) that it exceeds both those who have decided to vote for Angeloz and for Menem. Compared to the findings of other 1988 polls, Angeloz is receiving mounting support but is still far from the 40 percent or more that the UCR [Radical Civic Union] got from 1983 on, whereas the Peronist candidate has leveled off at 20 percent, with Alvaro Alsogaray of the UCD [Democratic Center Union] at 10 percent.

In January, when the UCR had still not nominated Angeloz, he was getting 20 percent of the vote, against 41 percent for the PJ [Justicialist Party]. In August, after the convention that nominated Menem, the UCR stood at 18.1 percent and the PJ at 22.5 percent. In October the

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UCR was getting 18.3 percent and the PJ 24.2 percent, with a reversal in November to 24.3 to 20.6 percent and in December to 27.4 to 20.6 percent in Radicalism's favor.

The poll in the province of Buenos Aires covered the 19 districts of the greater metropolitan area (1,200), La Plata (340), Mar del Plata (150), Bahia Blanca (286), San Nicolas (170), Junin (90), Olavarria (90) and Campana (90).

The overall result of the study in the country's largest district shows the Peronist Menem with a 31.2 to 23.7 lead over the UCR's Angeloz. There too, however, the undecided vote exceeds both candidates, reaching almost 33 percent if we combine those who would not vote for any of the candidates in the race and those who say they do not know or who do not answer. The Center Alliance's Alsogaray comes in with 7.6 percent, Nestor Vicente of United Left with 2.6 percent and Guillermo Estevez Boero of the Socialist Alliance with 1.1 percent.

The difference between Menem and Angeloz equals the lead that the PJ took over the UCR in September 1987, which according to administration analysts is encouraging in itself.

The gap between the candidates of the two major parties is also narrowing in Buenos Aires. In January the PJ got 43.6 percent of the vote, against 16.3 percent for the UCR. In August, after the nomination battle between Menem and Antonio Cafiero, the PJ had 33.2 percent and the UCR 10.4 percent. In October the numbers were 32.2 to 18 percent, in November 30 to 22.4 percent and in December 31.2 to 23.7 percent.

The undecided vote rose from a low of 17.8 percent in January to a high of 45.4 percent in August, falling back to 32.6 in December.

The poll in Chaco (Resistencia, Roque Saenz Pena, Villa Angela) also showed Menem with a clear lead over Angeloz: 39.8 to 29 percent. But it also showed strong shifts in voter intentions, with the biggest gains going to Radicalism. A January poll also conducted by SIDE gave the PJ 39.2 percent and the UCR 10.9 percent. In August, with the two tickets in place, Menem's lead over Angeloz was overwhelming: 46.7 to 8.3 percent. Both dropped in September: 40.8 to 5.8 percent. Angeloz began coming back in October (10.1 percent for the UCR and 38.8 percent for the PJ). Both rose in November (40 for the PJ, against 24.2 for the UCR). In December Angeloz firmed up to 29 percent, while Menem declined slightly to 39.8. The man from La Rioja had reached 56.7 in July.

In Corrientes (the capital, Goya, Curuzu Cuatia, Paso de los Libres), Menem is also in the lead, but by just over 5 points (34.4 to 29.1 percent). Menem began to ebb as of August, while Angeloz started to rise markedly in October, from 17.1 percent that month to 17.9 in November and 29.1 in December. Menem had 50 percent in July, 37.5 in August, 35 in September, 34.2 in October, 36.3 in November and 34.4 in December.

The Center Alliance, which ought to have a strong foothold there because of the affiliation of the Autonomist and Liberal parties, had 10.4 percent in November and 7.3 percent in December.

In Jujuy (San Salvador, San Pedro, Pajala, Libertador General San Martin), Angeloz' upward trend and Menem's falloff can be seen in the Radical candidate's slight lead: 34.2 to 33.7 percent. In August, Menem garnered 37.5 percent of the vote and Angeloz 15.6 percent, but by October the governor of Cordoba was in front by 31.2 to 27.7 percent.

As long as the Peronist lead does not exceed the 1987 margin, the administration and its candidate pledge optimism. We wonder if Menem believes these polls.

* Menem Choices for Foreign Minister Assessed

33480131a Buenos Aires LA PRENSA in Spanish 10 Feb 89 p 9

[Commentary by Martin Olivera]

[Text] It is no secret that aside from whatever ideological stance one has, foreign policy requires realistic views. First one must understand that there are two prima facie powers that stand out above all the others: the United States and the Soviet Union. Secondly, "nonalignment" does not exist (one must lean toward one or the other). And thirdly, South America, given its geohistory, must (fortunately) be on the side of the United States.

These elementary rules tend not to be understood by our politicians while they are far from power, but they begin to be more aware as they approach or believe they have some possibility of reaching the main office at 50 Balcarce. Carlos Saul Menem, who has in the past looked at the nation and the world from the perspective of La Rioja, has reached this point.

The Peronist candidate, from the comfortable position of the irresponsible opposition—irresponsible because it merely criticizes without offering viable alternatives—spent his time in the last few years ranting against dependence and arguing that the foreign debt did not have to be paid (something that the Radicals ended up doing out of incompetence anyway).

But the cultural heir of Chacho Penaloza discovered, thanks to opinion polls, that in one of these polls he would be awarded the inestimable legacy of Raul Alfonsin, and he would have to sit down and govern. If this comes to pass, he will inherit not only power, but also the debt, and therefore the complex relationship with the United States.

After he woke up to this oppressive reality, he consulted his most serious advisers, who all agreed: "Carlos, you have to act as if you were president. And to do that, you have to keep up a good dialogue with the Americans."

He immediately ordered an onslaught on Washington and the European capitals, publicly debated with Ubaldini (to whom he explained, without much enthusiasm, that this bit about the moratorium was relative), and decided to phase out—gradually—the use of the "Menem-mobile," since the middle class doesn't like it and the middle class likes how the Americans live. With these fundamental measures, perhaps out of ignorance, the La Rioja candidate thought he could invade Washington. But he was wrong.

Guilt by Association

The Guelar family does not have the best references in the capital of the West. The financial shenanigans at the dear departed Bank of the West had repercussions in New York and led to an order for the FBI to arrest the brother of the former Peronist legislator. As a result, U.S. officials are a little sensitive.

That's why it was not very helpful to Menem for Diego Guelar to be traveling around the United States as his representative, anticipating his future service as ambassador to the Bush administration. Concerned about the consequences this might have, the Menem staff decided to send Kohan (the campaign's treasurer), thinking that his surname might give him some influence over the Jewish lobby in the Senate and attenuate Menem's pro-Qadhdhafi image.

The cure was worse than the disease. Kohan is not thought to be very well regarded in the Argentine Jewish community, particularly in the Delegation of Argentine-Jewish Associations (DAIA), so his credentials were not well received in Washington. Discouraged at so much bad luck, Menem ran into Guelar at Punta del Este again (on the occasion of a dinner given by the businessman Martinenghi), and in front of 12 people he hugged Guelar, telling him loudly, "Dieguito, you know you're my man in Washington." Here we go again.

It was in that context that trade association leader Armando Cavalieri traveled to the United States at the end of last week. The business leader was the spearhead of a delegation from the Group of 15, whose objective is to explain to the Americans that the Peronists are not what they think, that they are in favor of capital and foreign investment. But no matter how sincere Cavalieri may be—we must bear in mind that he is more Liberal than Justicialist—his listeners are not inclined to believe him.

As it happens, Diego Guelar is the least of the State Department's worries. It is more concerned about the fact that Menem's representative in Europe is Mario Campora, son of the late dentist of San Andres de Giles and Alfonsin's ambassador to the UN Disarmament Commission, where he has not hid his Soviet sympathies. Campora, who would already be a problem just because of his name, is a fiftyish man who just married a young lady with reputed ties to the People's Revolutionary Army (ERP).

Looking at the situation from this perspective, it is easy to see why Angeloz is preferred by the Western democracies, and even by Eastern leaders. The lobby he has in Washington, and the excellent work of Ambassador Arnoldo Listre in Europe, are bearing fruit for him in the north. His problem, for now, remains in Argentina.

Possible Foreign Ministers

Without resolving his relations with Europe or the United States, Menem is seeing an out-and-out brawl develop over who will be his minister of foreign relations. Many covet Caputo's job (it appears that their wanderlust has been aroused), and few meet the requirements, although that has become a tradition in this country.

The principal candidates to date are:

1) Eduardo Menem. Although his brother wants him at the Interior Ministry, he inclines toward the Foreign Ministry. His drawback is that he is not an expert on the subject and he is not liked in Washington. "Putting up with one Menem, well, maybe, but putting up with two..." say the Americans.

2) Bordon. The governor of Mendoza has never hid his ambition, but he has little support. His adversaries say he would be a worthy heir to Dante Caputo because the two think almost alike.

3) Italo Luder. The former president has the support of the Group of 15, and he is well thought of in the United States and Europe. But Menem has not forgiven Luder for not supporting him in the internal elections. He is the most serious candidate in the Peronist party.

4) The Christian Democrats. Some sources think that a foreign minister of this ilk would be well received internationally. This despite the fact that the Argentine Christian Democratic movement has little to do with its European counterpart and has no influence in the United States. Moreover, Carlos Auyero, the only prominent Christian Democrat, has publicly challenged Menem.

5) The Developmentists. Rogelio Frigerio is Menem's only ally with a plan (whether Menem likes it or not). Developmentism also has a favorable international image and has palatable candidates (Gerardo Schamis, for example). Frigerio, however, prefers the economic field, and the Peronists will not award that many prizes for so few votes.

It is obvious that the situation is quite cloudy, and the best candidates are those who have the least chances, which after all is consistent in such an inconsistent situation.

Embassy in Havana Delays Workers Visas

PY1703182989 Buenos Aires DYN in Spanish 2152 GMT 15 Mar 89

[Excerpts] Buenos Aires, 15 Mar (DYN)—A group of Cuban tabacco workers have been unable to stay in Argentina because the Argentine Embassy in Havana has delayed issuing their visas. A writ of amparo has been filed with a public administrative matters judge who notified the Foreign Ministry of the alleged mishandling of immigration procedures by the embassy.

The writ of amparo, which was filed with Judge Francisco de las Carreras, is unprecedented in that the incident occurred in Cuba and included requests for information, and instructions to, the Argentine diplomatic authorities. When the Cuban workers gave up their plans to stay in Salta, the case has become a "legal excercise."

It was reported here that the workers changed their mind because of the political harassment and economic pressure to which they were submitted once the Cuban authorities learned of their wish to leave the island.

The background information provided with the writ of amparo states that in mid-1988 a Salta Province tobacco cooperative decided to contract 13 Cuban specialists in farming and processing of Virginia and Buley tobacco, in an effort to improve production. [passage omitted]

The Cuban workers said that they were being politically harassed and that to obtain their passorts and their authorization to leave Cuba, they had to abandon their property, they were stripped of their civil rights, and their food rations were restricted.

The writ of amparo states that despite the urgency, the Argentine Embassy delayed the granting of the visas, for which reason Judge de las Carreras sent a notification to the Argentine Ambassador in Havana asking him to report on the events involving the Cuban workers.

The embassy answered that it was its duty to make sure that the Cuban workers were actually tobacco workers, that there were no legal objections for their trip, and that all this took some time. [passage omitted]

Bomb Damages Drug Store; No Victims

PY2103122789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1210 GMT 21 Mar 89

[Text] Buenos Aires, 21 Mar (NA)—A medium-sized bomb exploded early this morning in front of a drug store in Quilmes, Buenos Aires Province, located to the south of Buenos Aires, damaging the front of the building.

Police have reported that the pertinent investigation is being carried out, although it has been indicated that there are no political implications.

The drug store is located on the corner of Intendente Olivieri and Gran Canaria Streets.

No one was injured by the fairly strong explosion, but it did damage the door of the building.

Alfonsin Praises Fishing Sector

PY1803030689 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1435 GMT 17 Mar 89

[Text] Mar del Plata, 17 Mar (NA)—President Raul Alfonsin said here today that "the most important result of our government may have been giving Argentina a role in the international fishing sector. He added that he will continue to work for the development of that sector by seeking international credits for the construction of fishing ships.

The president spoke here during a ceremony held to bid farewell to a technical cooperation mission from Japan that helped construct and operate the national fishing school, headquartered in this city.

Alfonsin said that the farewell to the Japanese mission, which has been in Argentina for more than 5 years, is a "symbolic event."

Alfonsin pointed out that Argentina "needs this type of atmosphere to develop its fishing industry. Although Argentina possesses valuable resources, all of which have not yet been fully exploited, it requires the contribution of countries with greater technical development, with enough investment power, and with growing markets where our products are in demand."

Alfonsin emphasized that Argentina wants "various types of binational cooperation to multiply to transform the southwestern Atlantic into a field in which work, cooperation, and peace will prevail."

Alfonsin admitted that the work in the fishing development area "has not ended" with the creation of the national fishing school. He also mentioned Japan's contribution in the project to expand the Puerto Deseado pier, among other Argentine-Japanese joint ventures.

Alfonsin also wants the international cooperation with Japan "to serve as a basis for reaching bilateral agreements to preserve the Argentina's continental shelf and adjacent areas. [No end quote marks as received] He described the relationship between the two countries as "a model of cooperation that can be repeated at the governmental, institutional, and business level to grow together, exploiting in an organized way the natural resources, the financial resources, the technology, and the markets."

Alfonsin emphasized the activities of the national fishing school, which will train youths to perform fishing tasks. He also highlighted "the invaluable teaching zeal of Navy personnel."

Alfonsin said the government placed emphasis on the "development of research and know-how to serve the national fishing industry despite the budgetary limitations imposed by the current economic situation."

Alfonsin also noted that the policy that has been implemented "intends to strengthen the companies established in our country." He emphasized the measures that were taken to abolish the excessive regulations that unnecessarily limited production." [quotation mark as received]

Alfonsin has announced that "significant progress has been made in negotiating an important IDB, World Bank [as received] credit to develop the fishing sector, including the building of ships in the country at competitive prices."

Alfonsin concluded by stating that the fishing sector and the government "have marched together toward the qualitative and quantitative development of fishing," permitting "the country and its resources to demonstrate their power and capability."

Antarctic Mineral Resources Convention Signed

PY1803162089 Buenos Aires DYN in Spanish
2316 GMT 17 Mar 89

[Text] Buenos Aires, 17 mar (DYN)—Argentina today signed in Wellington, New Zealand, the convention for the regulation of activities dealing with Antarctic mineral resources, which was agreed upon by the consulting parties to the Antarctic Treaty on 2 June 1988.

This information was supplied by the Argentine Foreign Ministry this afternoon through a communique, which added that the convention will come into force after being ratified by the 16 consulting parties to the Antarctic Treaty, including the 7 nations that claim sovereignty over the Antarctic, among them Argentina.

According to the communique, the convention will not allow any activities in connection with Antarctic mineral resources. The accord creates mechanisms for the analysis and possible authorization of activities that may be proposed in the future, imposing strict environmental preservation measures.

Article 9 of the convention safeguards Argentina's sovereignty over its Antarctic sector and its rights and jurisdiction in its capacity as an Antarctic coastal state, in line with international law.

The convention also grants preferential rights to the countries like Argentina that claim sovereignty over some sectors of the Antarctic. Such preferential rights apply to the institutions that will be created for those areas.

Security Officer for May Election Appointed

PY1803163289 Buenos Aires DYN in Spanish
1418 GMT 17 Mar 89

[Text] Buenos Aires, 17 Mar (DYN)—Defense Minister Horacio Jaunarena today appointed General Antonio Balza as electoral commanding officer, it has been officially reported.

Balza will be charged with coordinating and implementing actions designed to meet the security requirements outlined in the Electoral Code for the 14 May election.

Economy Minister Returns From IDB Meeting

PY2103165489 Buenos Aires TELAM in Spanish
1639 GMT 21 Mar 89

[Text] Buenos Aires, 21 Mar (TELAM)—Economy Minister Juan Sourrouille arrived at 1315 [1615 GMT] at Ezeiza International Airport. He arrived from Rome on board an Alitalia flight.

The minister participated in the annual IDB meeting held in Amsterdam.

* Pollsters: La Tablada Not a Factor

33480123b Buenos Aires SOMOS in Spanish
8 Feb 89 pp 10-11

[Interview with sociologists and political scientists Francisco Delich and Manuel Mora y Araujo by Carmen Maria Ramos; date and place not indicated]

[Text] [SOMOS] What has changed on the political scene after La Tablada?

[Delich] I think that we have to consider what has changed from a political standpoint, but also what has changed from an electoral standpoint. In the first case I think that we are touching directly on the stability of the democratic system, the chances of consolidating democracy and the general evolution of the country. The other has to do with its impact over the next 90 days, which is when the elections will be held.

[Mora y Araujo] I don't think that we ought to expect a very big change in people's electoral behavior because of this development. And I say this because what the Argentina of recent years has shown me is that individual events, no matter how important, have little influence on how people intend to vote. In contrast, more underlying issues, like inflation for example, have much more of an influence.

[SOMOS] And from a political standpoint?

[Mora y Araujo] I think that this development is putting out new signals in comparison to what Argentine society had been feeling in recent years. For example, that the possibility of violent subversive activity by the extreme left has not disappeared.

[SOMOS] Could it be that because the government was looking so hard at the right, what was happening on the left escaped it?

[Delich] I think that what the government did was to follow the direction of events. The big blows (the Sivak affair showed this) were much closer to the far right. Consequently, the efforts went in that direction. I think that it was very difficult to predict the timing and magnitude of an operation like this, which, moreover, is unjustifiable in the logic of the extreme left itself.

[SOMOS] In any event, will the medium-term consequences go beyond this episode and again bring up the issue of the armed forces' role in our institutional future?

[Delich] I think so, and in this regard I am quite optimistic. I think that the armed forces have also learned the cost of indiscriminate repression and the cost of coups d'etat. Consequently, I think that the "repositioning" of the armed forces, which will inevitably happen, should not jeopardize the consolidation of democracy.

[SOMOS] Leftist sectors think that La Tablada will wind up legitimizing the struggle against subversion of the last decade...

[Delich] I don't think that anyone, not even the armed forces themselves, is going to legitimize the forms of repression. No one doubts that subversion was a definite enemy, beginning with Mrs Peron's constitutional government, which ordered the mobilization of the armed forces to put an end to the guerrillas. This is beyond any doubt. But at this point the debate begins to narrow.

[SOMOS] For example?

[Delich] No one can reasonably imagine that the armed forces were fighting phantoms. The guerrillas existed, and the danger was real. Consequently, I don't think that there was a lack of solidarity with the armed forces during that period, although I do think that the solidarity was less clear than now.

[Mora y Araujo] Here we have to see what sort of image the armed forces have in Argentine society. Their image is affected by two key elements that have been weighed differently in recent years. One is the indisputable fact that there was a subversive threat in the country and that the armed forces waged a war. The other element is that during that battle against subversion there were illegal actions, there were excesses. And what I see is that a large part of Argentine society agreed that this second element outweighed the first one in creating the image of the military.

[SOMOS] In your judgment, has the government encouraged this view in recent years?

[Mora y Araujo] Yes it has. It was like a current of opinion that arose informally and had a great deal of room to expand. But I think that this may change.

[Delich] People are finding a point of equilibrium. And if this is as I see it, I think that we are going to have not only a stable political system but also a stable society, with armed forces that are properly integrated into society.

[SOMOS] Do the guerrillas have a place in Argentina today?

[Delich] I don't think they have either an institutional, a social, or a political place, as was demonstrated by La Tablada. The fact is that the terrorism of the 1980's is tied less and less to society and more and more to extrasocietal apparatuses.

[Mora y Araujo] What seems obvious is that there is a continent-wide revolutionary agenda in Latin America that refuses to acknowledge that it has been historically defeated, that it doesn't have a chance anymore, that it can act only out of desperation.

[SOMOS] Did the events of La Tablada wind up helping the right?

[Delich] What happened clearly reduces the left's maneuvering room. The left has put itself in a very defensive position. And I think that this is the result of the weak conviction that the leftist parties have had about democracy.

[SOMOS] Has the government made a mistake with the military over these 5 years?

[Mora y Araujo] The results make it clear that the handling of the military has been inadequate, has not produced the armed forces that democracy needs. In addition, the opinion of the armed forces is not something that can be handled with a political approach alone. Owing to the specific role that they play, we Argentines cannot live together in our institutions with military officers who feel that their views on the issues that concern them are not being acknowledged. I think that Argentine society is still waiting and demanding for this to be resolved in some way.

[SOMOS] This time will Argentine society be able to meet the challenge of combating the guerrillas within the framework of the law?

[Mora y Araujo] I hope so, but unfortunately this framework also entails a far from operative and very inefficient administration of justice.

[Delich] From what we can see so far, I don't think that it will be hard to repress this or any other similar outburst. But the capacity of the state as a whole is indeed going to be put to the test now. Because no one should think that the challenge from the guerrillas is to the armed forces. To view it as such would be fatal. This is a challenge from subversion to the state as a whole: the military, the police, judges, politicians, citizens.

* MTP Reportedly Entered 1987 UBA Elections

33480131b Buenos Aires LA PRENSA in Spanish 13 Feb 89 p 7

[Commentary by Alejandro Nunez]

[Text] When we began commenting on the problems of the university in this column, we thought that we had seen the last of the trend of the 1970s, when thousands of students devoted their energies to taking over the universities, killing civilians and military personnel, bombing property, and propagating an apocalyptic doctrine dreamed up by pseudophilosophers defending the underprivileged.

Aside from the constant disinformation that deluged national public opinion from the very beginning of the present government, every time a family had to send a child off to the university, it would receive countless recommendations regarding friendships, political ideas, and a wide variety of matters termed "odd things" in the local slang.

If the speeches, proclamations, demands, and other political attitudes of many university student groups that were disseminated in 1983 were reproduced today, many people would say that things have not changed.

The images of the terrorist Che Guevara, Cuban dictator Fidel Castro, and the Salvadoran and Nicaraguan terrorist movements were ubiquitous. Given that state of affairs, it took more than 6 years for subversive criminals to appear once again at the University of Buenos Aires (UBA).

MTP in Sociology

An electoral front made up of the Intransigent Party (JUI), the Grassroots Socialist Current (Trotskyite), and the nascent All for the Fatherland Movement (MTP) won the 1987 student body elections. This front obtained 24.68 percent of the vote, and won three seats on the student council. The MTP sectors emerged from a schism in the Intransigent youth. The student body presidency was won by Gabriela Riveiro.

In 1988 the MTP decided to leave the electoral front and try its luck on its own. Led by student Carlos Ernesto Motto, 22, they garnered 47 out of 1,276 votes. This student is currently in the custody of the federal judge of Moron, Dr Gerardo Larrambebere, for having participated in the terrorist group that took over Infantry Regiment 3 at La Tablada. We should emphasize that this person was presented by the group as a candidate for student body president, so his importance as a leader and the backing he must have had from his "comrades" make this citizen even more dangerous.

Communication Sciences and the MTP

Anyone who witnessed the student primary elections in 1988 at this school of the university would have observed countless posters with references to Che Guevara and the Nicaraguan, Salvadoran, and Chilean movements.

In 1988 there was a surprising tie in the student body elections between the Purple Fringe (Radical Civic Union) and the Communist Party, with 356 votes each. The MTP obtained 46 votes, 3.99 percent, out of a total of 1,356. In the run-off election, in which only the first two parties competed, the Communist Party won the presidency with 609 votes, compared to 399 for the Purple Fringe. The MTP supported the Communists on that occasion.

The All for the Fatherland Movement, whose national leader, Jorge Banos (formerly a representative of the Intransigent Party) died at La Tablada, participated in the elections with Fernando Falco as its presidential candidate, Joaquin Ramos as its candidate for general secretary, and Daniel Gabiuod running for fourth secretary. The latter, in turn, headed the party's slate for delegates to the Argentine University Federation (FUA), whose biannual congress to reelect officers will be held this year. Joaquin Ramos also ran as the fourth candidate on the slate for delegates to the University Federation of Buenos Aires (FUBA).

Daniel Gabiuod and Joaquin Ramos are now in the custody of federal justice authorities for their participation in the subversive group that took over the 3d Infantry Regiment at La Tablada. Once again, we point out that these are people in the forefront, group leaders whose influence on the other members should be noted so that we can determine how many of their comrades knew of their subversive activities.

The relationship between the MTP and the School of Psychology, where it participated in the 1988 elections with a slate headed by student Ricardo Iglesias, has yet to be determined. There is no information that Iglesias was involved in the events in question.

In the School of Psychology, the MTP garnered 2.43 percent of the vote, that is, 120 out of 4,934 valid ballots. Although it has just begun, this movement attracted a significant number of followers. Although this increased support is not reflected in the percentage of votes, it is indicated by the fact that the total is three times that of the other schools.

It is known that the three UBA students did attend the university schools as such, but Daniel Gabiuod is reported to have been an employee of the newspaper PAGINA 12, in the wire service section.

FUBA and FUA

If we look at news reports from prior years, we can see that these regional student organizations have been the setting for attitudes that today could be labeled "complicity." In 1984, the student body president of the FUBA was the son of the former normalizing rector of the UBA, Andres Delich, who is also a very important official in the Purple Fringe in the federal capital and the nation. At the congress held at the School of Medicine that year, a representative of the Farabundo Marti National Liberation Front (FMLN), the Salvadoran subversive movement, was invited to speak. He presented an apology for the armed struggle and the popular resistance that his organization was carrying out.

In 1987, this time at the biannual congress of the FUA in the city of Santa Fe, chaired by another Radical, Marcelo Garcia of Santa Fe (Coordinating Board), a representative of the Sandinist National Liberation Front, one from the Manuel Rodriguez Patriotic Front (Chilean), one from the Mothers of the Plaza de Mayo, and attorney Pablo Diaz (then a member of the MTP and a survivor of the episode known as the Night of the Pencils) all addressed the assembly.

Those who attended that congress witnessed a pseudo-military parade staged by the Communist Party, carrying axe handles like rifles as they entered the stadium that housed the congress.

Prospects

We said at the beginning that the unexpected has happened. Radical presidential candidate Eduardo Angeloz, upon returning from his European tour, stated that he had left the future and come back to the past. We must admit that his thinking is right, but we must emphasize some aspects that are of doubtful legitimacy. To believe that these subversive criminals who had a history of student activism simply woke up on 23 January and decided to assault a regiment, without prior preparation, is tantamount to believing that they were little lost sheep who had been deceived by a mind with occult powers. The guerrillas have always been gradually, slowly infiltrating the UBA and other universities in the country with very carefully planned objectives.

During the 1960s, the Montoneros and the People's Revolutionary Army (ERP) did not just get up one day to kill judges, military officers, civilians, trade unionists, and politicians. They did it in increments, as the operational capacity of their terrorist organizations grew.

If we believe that the past is here again, we must have turned back the clock 30 years. The subversive criminals look at the past only so that they can gain experience and improve their methods, their ability to infiltrate and recruit. In this way, they will reach their final objective more rapidly. If we content ourselves with saying that we have returned to the past, the subversives will surpass us in the "intelligence of events," because they are planning perfectly for the future, regardless of the cost.

We will have to see how our honorable political leaders respond.

In a few years we will easily be able to distinguish between those who were rendered stuporous by the fear of having to confront a reality that had always been present, and those who, with no thought of the cost and their personal safety, decided to assume the responsibilities of the positions they held.

The leaders of the University of Buenos Aires should think seriously about which way they would like to be remembered by current and future students...

* Salta Province Declared Near Bankruptcy

33480131c Buenos Aires LA PRENSA in Spanish 22 Feb 89 p 9

[Commentary by Eduardo Zavalia Figueroa]

[Text] What is happening in this province, thanks to mismanagement by the Justicialist government after the 1987 elections, has no precedent in the history of Salta. This province used to be described as "beautiful," "historic," "colonial," "the capital of the faith," and "traditional." Now it is sad, dirty, unkempt, discontented, and unfortunately, even incredulous.

The chaos is total, because it encompasses every sector. The infamous public debt payment bond continues to be common currency. Despite official assurances at the time of its creation that it would merely be an instrument of payment to government suppliers, it is now used to pay public employees' salaries, and even those of employees in the private sector.

The bond lost its credibility some time ago. Now it is a piece of colored paper that is rejected even by the province itself when anyone tries to use it to pay taxes. The same is true of the tax credit, another monster created by the Peronist government in order to disguise the lack of lawful currency. An agency called the General Office of Bond Administration was created to convert the bonds into australes, but in fact a kind of "price quoting" occurs, in which the percentage that will be paid in australes is set each day.

It is true that the national government has the province in a stranglehold, as is the case throughout the country. The exceptions are Cordoba and Rio Negro, "rare birds" that have remained in the hands of the Radicals. But it is no less true that here public monies have been handled with tremendous caprice, that much has been squandered, and that an incredible bureaucracy has been created. It is now impossible to pay the salaries of all these bureaucrats, so backlogs develop and result in labor disputes that are growing worse each day.

Public Employees and Retirees

The passive class, the vast majority of which are on fixed incomes that keep them hungry, has just received the checks corresponding to last December. Meanwhile, not a word has been said even about the approximate date when the January payments will be forthcoming. Retirees and pensioners have no recourse but to protest out in front of the Social Security Fund building, which is on the main plaza in the city. There they stop traffic and sing protest songs.

But the same is not true of public employees. They have gradually begun to call strikes that are described as "savage," both because of their scope and because of their characteristics. Last year the frequent and prolonged teachers' strikes made mincemeat out of the school year, to the detriment of students at all levels. Today, as the start of classes approaches, the Provincial Teachers Association has already threatened not to begin the school year unless its demands are met first.

The judicial year was also full of stumbling blocks in 1988, and now, as the courts resume sessions after the January holiday, a new strike has complicated court dates. Consequently the Court of Justice, meeting in a plenary session with magistrates and officials, has informed the executive branch that the judiciary is not just another government agency, but is an independent branch of government that needs to have its own budget in order to retain that status. Judges and court officials are paid paltry salaries, and the situation is simmering in anticipation of new forceful measures.

The capital city government is not immune to these problems. A long strike shut down all services, while the mayor went on vacation. Now the municipal workers in the interior of the province are demanding their unpaid salaries, and a large delegation of them came to this city, marched to the government palace, and submitted a list of demands. This did not, however, prevent the demonstrators from turning into a surging mob by the time they got downtown, dumping whatever garbage containers they came across onto steets and sidewalks.

Health Sector

But the most serious situation is in the area of health. Doctors at health facilities in the capital are members of the Inter-Hospital Group, while those in the interior belong to the Association of Health Professionals, which represents them exclusively. Both organizations have been calling increasingly extensive strikes. At this time the strike is total, and they have even threatened to shut down emergency rooms. In response to that threat, the attorney general of the province, Rene Alberto Gomez, had to come out and warn the doctors that if they did this they would be committing a crime punishable by law. As a result, the action was called off, although absolutely no medical care is being dispensed at public hospitals.

And as if all this were not enough, there is widespread discontent among the police forces in the province. Policemen are holding meetings that might at any moment result in a work stoppage and even a refusal to leave the barracks.

Governor on Vacation

While all these serious developments are arising, Peronist officials are forgetting about their much vaunted social justice and are gaily and cheerfully enjoying their vacations on sunny beaches. First among them is the governor himself, who in early January traveled to Chile in a carefree caravan. When he returned, he took off for the Atlantic coast to "rest up." He returned from there with a beautiful tan the night before last.

During the few days that he was on the job last January, he issued a decree that supposedly resulted from a "general agreement by the ministers." That decree, a copy of which this reporter has before him, bears the signatures of Governor Hernan Hipolito Cornejo, Secretary General of Government Gaspar Sola, and Julio Argentino San Millan, in his five capacities as regular minister of social welfare and acting minister of government, economy, education, and public health. This absurd document gives a hint of the Peronist carnival that is taking place in Salta, where irresponsibility, improvisation, and gall have become a hallmark.

Conditions for Federal Intervention

The way things stand, with the provincial coffers completely empty, the legislature in recess, government officials absent, widespread strikes in all sectors, and other good news, all of which has resulted from the misguided faith expressed by the people at the polls, the prevailing situation does not look like it can last much longer. The presiding judge of the Court of Justice, Roberto Adolfo Castro, recently stated publicly that according to constitutional precepts, a province requires three fundamental pillars to maintain its independence: the existence and full operation of the judiciary, primary education, and the municipal government. And it is precisely these elements that are paralyzed. Therefore, it would not be surprising to see federal intervention.

The ruling party, meanwhile, is shedding its own blood in an internal election that is becoming rougher by the minute, represented by the officialization of countless slates of candidates. The governor of Formosa, Vicente Joga (who is the virtual "interventor" in the Salta district of the Peronist movement), is doing the impossible to bring together contradictory positions, and the curious thing is that Joga is staying in Salta, at least much more than Cornejo. This has promoted one humorist (one of the few left in this sad province) to suggest that steps could be taken to make Cornejo governor of Formosa and confirm Joga as the chief executive of Salta. In short, anything is possible in this Radical-Peronist or Peronist-Radical mess that the country is putting up with.

New Oil Deposit Found in Rio Negro Province

PY2103110089 Buenos Aires Domestic Service in Spanish 0200 GMT 21 Mar 89

[Summary] A new oil deposit has been discovered by YPF [Argentine Oil Deposits] in Loma Montosa, Catriel District, Rio Negro Province. The initial sample yields 131 cubic meters of oil.

Bolivia

Bombs in La Paz Dealt With by Police

Defused Near U.S. Embassy

PY2203003989 Madrid EFE in Spanish 0010 GMT 22 Mar 89

[Text] La Paz, 21 Mar (EFE)—A bomb planted near the U.S. Embassy in this capital was defused today by the police.

According to early reports from the bomb squad, which is subordinate to the Fire Department, an anonymous call received at the U.S. Embassy reported that the bomb was about to explode.

The American Embassy in La Paz is 3 blocks from the Plaza de Armas and 3 blocks from the Government Palace, and the Legislative Palace.

A team from the Bolivian bomb squad managed to locate and defuse the bomb at 1810 (2210 GMT).

No person or terrorist organization has yet claimed responsibility for planting the bomb.

Weak Bomb Detonated

PY2203012189 La Paz Radio Fides in Spanish 2330 GMT 21 Mar 89

[Text] A few minutes after 1800, members of the bomb squad of the Bolivian Departmental Police and Firemen Department were called to Colon Street, in front of the Colon Building, where they managed to detonate a weak bomb, which did not cause any casualties or property damage. They decided to detonate the bomb after halting all pedestrian and vehicular traffic on that street.

According to reports collected by the police, a few minutes before 1800 a shoeshine boy entered the Libertad Exchange office, which belongs to former admiral Oscar Pamo Rodriguez. The boy reportedly planted the box containing the bomb and gave a piece of paper to a security guard. The note was reportedly addressed to the owner of the exchange office. It demanded $6,000, or its equivalent in pesos. If the money was not paid, the bomb was to have been detonated. The note was reportedly signed by Tupac Katari.

Upon receiving the note and locating the bomb, the owner of the Libertad Exchange office reportedly picked up the box, took it to the street, and called the police immediately. The police arrived immediately and proceeded to halt traffic around Colon Street.

The police, after checking the bomb and discovering that it was a weak one, detonated it. Fortunately, the explosion did not cause any casualty or property damage.

The Departmental Police and Firemen Department have announced that a report will be released within the next few hours and that the appropriate investigations are underway.

The owner of the exchange office stated that he has recently received threatening calls. This is not the first time that I and my family are the object of attacks, he said.

Foreign Debt Negotiator Praises Brady Plan

PY2103210889 La Paz EL DIARIO in Spanish 15 Mar 89 p 1

[Text] Energy and Hydrocarbons Minister Engineer Fernando Illanes, who is also the official foreign debt negotiator, on 14 March told EL DIARIO that the "Brady" plan can favorably influence both the "repurchase" of the debt to the international private banks and the renegotiation of the debt to other governments.

He said that in 1988, Bolivia "repurchased" 51 percent of its debt to private banks, which amounted to $667.7 million, through donations from friendly countries and through the sale of investment bonds of the A series.

He said that the plan proposed by U.S. Treasury Secretary Nicholas Brady would allow IMF and World Bank funds to be used for operations. Illanes said that Bolivia can use this new opportunity for "repurchasing" the balance of its debt to the bank. "This measure would make our recuperation program much easier to accomplish."

"Beyond all doubt," he went on, "the Bolivian program has received a great impulse from the latest remarks by Mr Brady, who proposed to the international community basically what Bolivia has done through its program to 'repurchase' its debt to international private banks."

"I believe," he stressed, "that the proposal by Secretary Brady will be of great help for the program to reduce Bolivia's debt to the private banks. We now expect that the banks will take a much more flexible attitude, and that they may agree to the various proposals put forward by the Bolivian Government."

Asked about Bolvia's recent negotiation with the creditor governments in Europe, the minister said that the Brady plan can have a favorable effect on those as well. It may help Bolivia receive more favorable terms of interest. The debt owed to foreign governments account for approximately 50 percent of the total Bolivian debt. Foreign governments are Bolivia's main creditors.

He added that the mission that traveled to Europe last week is now negotiating a reduction of the high interest that industrialized creditor countries charge on the Bolivian debt.

He noted that 7-year grace period has already been established in the Paris Club negotiations in November 1988, when a 5-year repayment period was also agreed upon.

Illanes noted that the statements attributed to Mr Brady by the press reports published in La Paz are not clear.

He said that it must be established "whether the voluntary negotiations between the banks and the debtors will be for a "repurchase" of the debt at secondary market prices, or at a 30-percent discount, as has been announced. He reiterated that, in his opinion, this report "is a bit distorted or misinterpreted." [quotation marks as received] [new graf]

The minister said that Mr Brady referred to the commercial debt, which is the debt owed to the private banks, and that, consequently, it has nothing to do with the debt owed to multilateral agencies or foreign governments. This seems to have been the interpretation by a U.S. journalist who estimated the possible reduction of the debt owed by each country.

"The estimates by the journalist," Illanes went on, "include the debts owed to multilateral agencies and to foreign governments, and that is not included in the proposal by the U.S. Treasury secretary."

The official mission that went to Europe to negotiate the debt to foreign governments is headed by Public Investment Secretary Fernando Ruiz Mier. The mission began contacting Belgian Government officials on Monday, according to official reports. The purpose of these contacts is to endorse the overall Paris Club II Accord. Out of the nine Paris Club countries, Belgium was one of the first four to agree to renegotiate a $241-million debt.

On 31 December 1988, the Bolivian debt to foreign governments amounted to $2.1 billion. The total debt is almost $4.2 billion.

From Belgium, the Bolivian mission will go to Great Britain, Netherlands, and France. This will be a first phase. During a second phase, there will be diplomatic negotiations, and during a third, the Bolivian mission will return to Europe in the second half of April to conclude the final accords with the creditor governments and to try to sign the appropriate agreements.

Minister Likens Bolivian, U.S. Financial Plans

PY2103204689 La Paz PRESENCIA in Spanish 8 Mar 89 p 1

[Text] "It seems that Bolivia inspired the plan (the U.S. Government plan) because their proposal for solving the foreign debt is a copy of our plan." Energy Minister Fernando Illanes, who is renegotiating the public foreign debt with the international banks, made this comment last night.

PRESENCIA talked to the minister following the disclosure of the U.S. proposal that seeks to solve the foreign debt issue "through the pardon and repurchase of the debt at secondary market rates."

Last year Bolivia negotiated with the international private banks and "purchased" 50 percent of its debt on the secondary market at $.11 cents on the dollar using resources that Bolivia received as donations.

Illanes said that news like this was expected because the foreign debt problem cannot be overcome using traditional methods.

Illanes also indicated that negotiations "to repurchase" the remaining 50 percent of our debt with the international private banks (approximately $300 million) were interrupted because creditors were waiting for a statement from the U.S. Government; a statement that was made yesterday.

Illanes concluded optimistically that "the official U.S. position will expedite a solution to the problem of the public debt with the private banks."

Minister Comments on U.S. Military Presence

PY2103132389 La Paz La Red Panamericana in Spanish 1130 GMT 21 Mar 89

[Text] Information Minister Herman Antelo has said that Bolivia will not permit a single U.S. soldier to enter Bolivian territory without the proper authorization as established by law.

The information minister said that the government in no way can permit, has permitted, or will permit the presence of U.S. military forces without first consulting Congress. There are no U.S. military forces in the country, he said.

The state dignitary pointed out that the U.S. citizens who are coming to our country are not in the military, they are involved in agreements signed between Bolivia and the United States, and are engaged in technical work for regional development.

Antelo said that U.S. citizens will come to our territory to carry out tasks to upgrade the Potosi airport. They will level Patipati hill, which is a great obstacle to local air navigation, he said.

The minister said that members of the U.S. military who are coming to Bolivia have been approved by the civic organizations of Potosi and that, therefore, their work has also been approved by the Bolivian Congress.

The minister concluded saying that the U.S. citizens are not only carrying out this type of activity in Bolivian territory but in other territories where these technical services are needed as well.

Trade Deficit Drops 43 Percent in 1988

PY2103028489 La Paz PRESENCIA in Spanish
16 Mar 89 p 7

[Excerpts] According to preliminary reports by the National Institute of Statistics (INE), Bolivia registered a $98.2-million trade deficit in 1988. This deficit is 43 percent smaller than the deficit registered in 1987. [passage omitted]

In 1988, imports amounted to $610.5 million and exports to $512.3 million. This export figure is 2 percent smaller than the 1987 figure.

The INE said that "even though exports decreased in 1988, imports dropped by a larger amount; the country is thereby reducing currency remittances to its commercial partners."

"In short, even though Bolivia again registered a trade deficit, the amount is almost 50 percent of the 1987 deficit," the INE concluded.

Government Organizes Meeting To Create Fund

PY2103214489 La Paz PRESENCIA in Spanish
15 Mar 89 p 1

[Excerpts] The government of Victor Paz Estenssoro is organizing an international meeting to create a special fund under UN administration to continue the struggle against drugs in Bolivia.

This statement was made by Foreign Minister Valentina Abecia Baldivieso in a speech opening the fifth regular meeting of the Inter-American Committee for the Control of Drug Abuse (CICAD) of the OAS. The meeting opened yesterday in La Paz attended by representatives of about 20 countries and international observers.

Abecia said: "My government will organize a meeting with the donor countries to explain its overall program of development and coca replacement for the next 5 years. It will also organize the creation of a special fund from donor countries that will be managed with UN cooperation." He added that international cooperation should be based not on a short-range program, but on a sustained but long-range program. [passage omitted]

Regarding CICAD's 5th regular meeting, Abecia said that it is necessary to strengthen the national programs, the common actions for fighting drug trafficking, the programs to prevent and rehabilitate drug addicts, law enforcement, and punishment of corruption. Such programs help provide a dignified life for peasants.

Brazil

Sarney on Amazon Devastation, National Sovereignty

PY1903011689 Rio de Janeiro O GLOBO in Portuguese
18 Mar 89 p 6

[Text] In his harshest speech since Brazil began to be pressured from abroad for the devastation of the Amazon region, President Jose Sarney said yesterday before five military ministers that "developed countries are intervening in new ways every day." On board the instructional ship "Brasil" in Guanabara Bay, Rio de Janeiro, the president gave a speech before the 154 Navy graduates who were departing on an instructional voyage. Sarney said that "ecology is a Trojan horse, designed to deceive the idealistic spirits of the young and of all those interested in man's survival."

Incisively he said the following to the Navy graduates:

"There, where earth separates from water, we must show our sovereign presence so that the Amazon region is not transformed into a green Persian Gulf, internationalized by well-known greed." The president pointed out that pressure is being exerted on Brazil by countries which "have devastated and eliminated the green surface of their territories."

The following ministers attended the ceremony: Henrique Saboia, of the Navy; Leonida Pires Goncalves, of the Army; Octavio Moreira Lima, of Aeronautics; Rubem Bayma Denys, of the Military Household; and Valbert Lisieux, Armed Forces Chief of Staff. Rio de Janeiro Governor Moreira Franco was also present. President Sarney arrived at the Galeao air base at 1020, went to the instructional ship, gave his 15-minute speech, had lunch with the authorities, held a short news conference, and returned to Brasilia. More than half of his speech was dedicated to the Amazon.

"The earth is threatened not by the Amazon, but by atmospheric heat caused by tons of carbon dioxide produced by industrialized countries; by the acid rain which is destroying forests in the whole world; by the gases that are destroying the ozone layer which protects the earth; and by the immense nuclear arsenal which can end all life in a few minutes and transform the planet into a dead one."

The president described the pressures exerted on Brazil as a "treacherous, cruel, and untruthful" campaign. He told the Navy graduates that on their trip they will be able" to verify in the ports where they arrive to what point this international lie has gone."

For Sarney, the campaign against the plunder of the forests "only demonstrates that the developed countries, having solved their own problems and having nothing to discuss about quality of life or institutions in their countries, are now toying with their imagination." Sarney said that the Amazon issue represents for the developed countries "an escape from their own guilt. They want to find victims in the developing countries to justify what they are responsible for: the danger in which they have placed the earth."

During the 7 months in which the ship "Brasil" will travel around the world, it will visit 7 national and 23 foreign ports. The ship is carrying on board 154 Brazilian Navy school graduates, 16 Navy school graduates from other countries, and 21 guests unrelated to the Navy. Sarney greeted the top three Navy graduates: Andre Luis Brauchs Vianna, Leonardo da Silva Mattos, and Paulo Roberto Rohwer Santos.

* Reserve General: Coup Possible in 1989

33420041a Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Feb 89 p 15

[Report on interview with General Euclydes Figueiredo, by Ricardo Osman, date and place not given]

[Text] Rio—"If there is a ruckus in the country, the election might not take place; there could be a coup," said General Euclydes Figueiredo Filho, former commandant of the War College and of the Amazon Region Military Command, in an interview with AGENCIA ESTADO. He voiced his concern that the failure of the "Plano Verao" [Summer Plan] could unleash a series of strikes and social disturbances "in a country whose president no longer has any authority."

Gen Euclydes Figueiredo is a member of a group of reserve officers and businessmen who have come together to support a "neoliberal candidate" in the presidential election. The group is considering the names of Justice Minister Oscar Dias Correa; Ronaldo Calado, leader of the UDR [Rural Democratic Union]; and Senator Jarbas Passarinho (PDS [Social Democratic Party], Para).

In the general's opinion, the campaign to elect Jose Sarney's successor cannot go forward in a situation of "social upheaval" and, under these circumstances, an "opportunity for intervention" would be created, similar to the movement led by General Henrique Teixeira Lott in November 1955. At that time, Lott forced the resignation of then acting President Carlos Luz and, by replacing Luz with Nereu Ramos, ensured that Juscelino Kubitschek would assume the presidency.

Gen Figueiredo foresees that a military junta could take over, with or without deposing Sarney, and put off the presidential election until a more peaceful time, while guaranteeing a return to a state of law and civilian power. "I can't say what sectors would take part in this intervention, because I don't know, but it clearly will not be a sergeants' coup," the general commented. According to Figueiredo, the Armed Forces are inclined "to let the political process unfold within the law, in accordance with the legalistic training of the military."

Among the active officers with whom he is in contact, Euclydes Figueiredo has noted an "apprehensive expectation" of what could happen in the country in the coming months. "The Plano Verao will not work. This is the largest intervention yet by the state in the Brazilian economy and it is a plan with socialist characteristics, which goes against the laws of the free market," the general declared. He predicts that the government will extend the price freezes to the maximum, in an attempt to win the presidential election, "thus threatening to destabilize the entire economy."

Demagoguery

"With this demagoguery, the government is also fostering the class struggle, the conflict between businessmen and workers, between merchants and consumers," Figueiredo added. According to the general, "The Armed Forces officers do not know what political guidelines to give to their subordinates to maintain cohesion among the troops. After all," he continued, "it has always been necessary to talk politics in the barracks."

Unlike 1964, the primary goal of the intervention contemplated by Figueiredo would not be to depose the president of the Republic—"Sarney would have fallen already were it not for the Armed Forces"—but to avert political and economic chaos. As the general sees it, the movement could even count on the participation of the president himself, who, "on the pretext of maintaining order," would call in the military.

If the 15 November elections are assured, the general hopes that a candidate in tune with his ideas will win. It is to this end that he is working with a group of reserve officers and businessmen who are only awaiting the launching of the candidates to pick out one who is "a defender of private property, of democracy." Figueiredo rules out any military candidate, however.

"[Army] Minister Leonidas Pires Goncalves would have little chance of winning and, if he ran, it could divide the Armed Forces, which have been cohesive since 1964," the general said. He would not even accept Ozires Silva, former president of Petrobras [Brazilian Petroleum Corporation] as a candidate, because Silva is a reserve Air Force colonel. "We must back a civilian who fights for capitalism," argued Euclydes Figueiredo, who feels that the Armed Forces "are stigmatized by 20 years of dictatorship." According to the general, with this year's election, Brazil will have its "last chance to establish a democracy by legal means" and, for this reason, every citizen must be aware of the importance of the vote and of his participation. "Afterward, if a Communist is elected, democracy will only come about by force," he concluded.

[Box, p 15]

47 Years in the Army

Rio—At age 66, Rio native Gen Euclydes Figueiredo still enjoys much of the prestige which he held when he exercised command posts in the Army. In his 47-year service career (which ended in March 1986), Euclydes commanded the Andrades Neves Regiment in Rio, in the Vila Militar, considered elite within the Force, and was also instructor of general tactics in the Army Command and General Staff School. At the time of the 1864 revolution, he was director of the Army Equestrian Center in Campinas. One of the five brothers of former President Joao Figueiredo, Euclydes was among the first officers to join the movement. As major general, he became assistant chief of the Military Household of the Presidency, under his brother, in the government of President Medici. It was while he was at the War College, however, that he became known outside Army circles. When Leonel Brizola won the election in Rio de Janeiro in 1982, Euclydes made headlines when he compared Brizola to "a toad that swallows itself and spits itself out." Today, from his apartment in Copacabana, he corresponds with officers all over the country.

* PCB Likely To Back PT in Second Round

33420041b Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Feb 89 p A-4

[Text] Federal Deputy Roberto Freire (Pernambuco), the official candidate of the Brazilian Communist Party [PCB], affirmed that, if his party formed any alliance in the second round of the presidential election, it would incline more toward the PT [Workers Party] than toward the PDT [Democratic Worker's Party]. If Lula (PT) and Brizola (PDT) both reached the second round, the decision would be by the party. "But today, analyzing the political parties, not the individuals, our party identifies more closely with the PT," Freire said during an interview with FOLHA last Thursday in Recife (Pernambuco).

Freire describes his candidacy as leftist and says it is the only one which "clearly" defends socialism, since, in his opinion, the PDT and PT have yet to define their positions. He sees his candidacy as within the PCB's strategy to build socialism via the democratic route, "not dissociating the democratic process from socialism."

The deputy considers the accusation by the PCB, that his candidacy divides the Left, to be "erroneous." "The new institutionalization allows room for pluralism and for all the parties to offer their own programs to the society, without implying any break in unity."

With no dreams about a large campaign outlay, Roberto Freire denies that financial aid is coming in from Communist parties in other countries. "The legislation bans the entry of foreign donations and money and the PCB will not have this kind of recourse." He says that the funding for his campaign must come from the "sale of campaign buttons, T-shirts and pamphlets, because the members and sympathizers do not have resources."

The deputy does not, however, deny the importance of the name of Soviet leader Mikhail Gorbachev as "electoral leader." "He has political significance throughout the world and he brings innovations to the political vocabulary that were inconceivable a while ago."

The deputy said that, in his recent trips to Cuba and the USSR, he did not discuss his candidacy with the respective Communist parties. "That has not been our concern up to now, but in March I must go to Italy to take part in a congress of Italian Communist parties and I could have my first official contact as a candidate, because the Italian experience is important for us."

Freire said that the Brazilian Constitution opens the way for the installation of socialism in Brazil; it will be pluralist, with the participation of private enterprise and some nationalized sectors. "To nationalize is not to socialize, but building socialism often, or necessarily, calls for nationalization," he commented, pledging to clean up the federal administrative machinery.

"But it will have to be a well thought-out process, to avoid complete irrationality, the way the layoffs based on length of service were irrational." According to Freire, the public servants no longer serve the public and this personnel could be retrained instead of being dismissed.

The deputy said he still defends parliamentarism as a system of government, but that, if elected, he would support a plebescite only in 1993, as stipulated in the Constitution, and would uphold the maintenance of presidentialism until that year. "I feel it is important to wait until 1993 for the plebescite, because then we will have a parliamentarism, if it is implanted, with a much broader base of support."

A vehement defender of nationalization of the banks, Freire said he had no fear that his candidacy would be rejected because of statements like this one, "because I make a point of saying, as a communist, that there will be room for free enterprise, under public control, in the socialist society."

In his opinion, nationalization must include the health, education and communications systems. He argues for lay education—"the church can involve itself in other activities, not education, which is the function of the state"—but he said that there must be freedom to practice one's religion. According to Freire, since 1946 "it has been the Communist Party which has been formulating constitutional articles guaranteeing full freedom of religion in Brazil."

* FIESP Assesses Presidential Candidates

33420041c Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Feb 89 p A-5

[Article by Clovis Rossi]

[Text] "Project Leader"—a document analyzing the political-succession picture, commissioned by the Sao Paulo State Federation of Industries (FIESP)—considers it "premature and even imprudent, in this initial phase, to select a candidate on whom the business class should concentrate its support." The paper also declares that the scenario is still quite confused but concludes that "the general climate favors a candidate with populist rhetoric."

The document was born of a discussion which took place on 5 January, among a group of journalists-political analysts, whose names FIESP prefers to withhold. The discussion, which was taped, sought answers to two central questions: "What is the profile of a candidate for the Presidency of the Republic who represents the aspirations of our society?" and "Within the list of existing names, which ones correspond to this profile?"

The conclusions are not those of the FIESP, but the invited analysts are thought by the federation to be "conscientious and disinterested men," according to the evaluation obtained yesterday by FOLHA.

In addition to the "populist rhetoric," the document says that the favored candidate "cannot be old," that the "electorate will look for an honest person who has demonstrated competence" and "who will measure up to the highest standard of ethical behavior, with moral traits predominating."

In the analysis of the 12 potential candidates, "the name of Ronaldo Caiado (leader of the Rural Democratic Union) was mentioned among the young politicians, but was ruled out." No explanation was given as to why.

The document also considers the candidacies of Guilherme Afif Domingos (PL [Liberal Party], Sao Paulo), praising him, but branding him as "jinxed," and of Senator Jarbas Passarinho (PDS [Social Democratic Party], Para), of whom it is said that he lacks "national force."

The same difficulty is noted with regard to governors Tasso Jereissati, of Ceara, and Fernando Collor de Mello, of Alagoas, both pointed to as members of a "new generation of politicians, dissociated from the negative images of the traditional politician."

'Project Leader' Assessments

- Janio Quadros—"He is too old to be elected. In this regard, he is in the same situation as Ulysses. The two would have to be propped up on the speakers' platform or on television. Janio's physical problems offset other positive factors that could weigh in his favor."
- Lula da Silva—"Lula's candidacy is the result of the fear that arose among the bourgeoisie following Erundina's election. He has prestige and popular appeal, but little probability of election, unless the economic and social situation worsens."
- Ermirio de Morais—"He would be the businessmen's ideal candidate if he were not the 'richest man in Brazil.' In a confrontation with Brizola, his defeat would be inevitable, particularly if it were Brizola plus Lula versus Ermirio. To be seen as the richest man is to be stoned."
- Leonel Brizola—"At the moment, he is the strongest candidate and, from all indications, he will reach the second round. He has already been working on his campaign for some time; his name is the best known nationally. His rhetoric is opportune (and opportunistic) in the present picture."
- Ulysses Guimaraes—"He has no chance of election. The erosion of the PMDB [Brazilian Democratic Movement Party] and of the government make [his candidacy] nonviable. His image as a traditional politician and the 'Tancredo syndrome' weigh against him. He is too old."
- Mario Covas—"The candidate with the greatest number of conditions in his favor as a viable candidate, viable also for the businessmen, is Mario Covas, although he does not yet have national scope. He is recognized as honest and competent."
- Silvio Santos—"The candidacy of Silvio Santos did not merit attention. Santos is a candidate with popular charisma, but his status as a nonpolitician and as owner of the Bau da Felicidade company makes him vulnerable. The Bau cannot withstand 15 days of the campaign."
- Carlos Quercia—In several aspects, he is the ideal candidate for the businessmen, were it not for a lack of belief in his electoral viability. One could easily and confidently work with Quercia. There are doubts about the success of his candidacy because of the slippage in the last elections."

[Box, p A-5]

Ermirio: Analysis by Blind Men

Businessman Antonio Ermirio de Moraes did not like the FIESP document's assessment of the viability of his candidacy. "It is an evaluation made by blind men. I recommend they read a primer in Braille," he said yesterday afternoon, on learning that the "Project Leader" analysis gave him no chance of running successfully for the presidency. "I would like to see them (the FIESP leaders) compete in an election, as I did for governor of Sao Paulo (in 1985, when he lost to Quercia), and win 3.5 million votes," he declared.

"It was at least a reasonable showing," Antonio said sarcastically. According to the businessman, the FIESP evaluation is more the work of political scientists than of the leaders of the federation. "A political scientist is hard to understand," he said. Ermirio also takes issue with the document when it sees electoral problems for Janio Quadros and Ulysses Guimaraes because of their advanced age. "If Janio makes the ticket, he is a strong candidate. If Ulysses is clever, and he does not want for cleverness, he will be very strong," he said.

Despite his reaction to the FIESP assessment, Antonio Ermirio continues to deny that he is a candidate for the presidency. "I have already resisted as stubbornly as a mule and I will continue to resist," he declared. Today, however, he will be the star of the "SOS Brazil" seminar, which is being held at 1400 hours in the Senate, in Brasilia. He said he was unaware that, according to rumors surfacing yesterday in Sao Paulo, the meeting would be used to pressure him to accept the candidacy. "It is good to know this. At least I will be more prepared," he said. According to Ermirio, the meeting will serve to outline a political and economic diagnosis of Brazil. "We want to avoid having the military knocking at our door again."

Chilean Grapes Being Tested in Rio, Sao Paulo

PY1703115889 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 16 Mar 89

[Text] The Health Secretariat of Rio de Janeiro has suspended the sale of 5 tons of Chilean grapes because the fruit might be contaminated with cyanide. The inspection of the fruit was ordered after the U.S. Government discovered early this week that Chilean grapes were poisoned.

At the largest food distribution center of Rio de Janeiro, CEASA, health inspectors found 500 crates of Chilean grapes, containing 5 tons of fruit, in a warehouse. The grapes have import certificate and federal seals approving them for human consumption. The inspectors seized four crates of grapes for analysis at two laboratories—one private and one official—in Rio de Janeiro.

Until the analysis is complete, the Chilean grapes will not be released to the market.

The inspectors also collected samples of Chilean nectarines and Argentine grapes for laboratory testing. The results will be known in 4 days. Chilean grapes that have already been shipped to supermarkets will be marketed without restriction.

In Sao Paulo, the Agriculture Ministry branch office has seized some Chilean grapes. The office began collecting samples of Chilean grapes that arrived in Brazil yesterday. The samples were sent to the Adolfo Lutz Institute, which tomorrow will release the results of tests to determine whether the Chilean grapes are contaminated with cyanide.

Supermarket Sales Authorized

PY1803234389 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Mar 89 p A-1

[Excerpt] The Brazilian Agriculture Ministry yesterday authorized the sale of Chilean grapes already in supermarkets. The grape samples collected from wholesalers did not show any sign of poisoning, according to tests carried out in the Adolfo Lutz Institute of Sao Paulo. However, grapes still waiting to be distributed in Brazilian airports and customs inspections offices are still subject to an embargo. These grapes will be authorized for sale only after the Lutz Institute runs more tests.

This was reported in Brasilia yesterday by Fernando Augusto Paes, Agriculture Ministry director of the Anti Plague and Illnesses, and Prophylaxis Division of the Vegetable Defense Secretariat. "We first analyzed the grape samples closest to the consumer. Now the Agriculture Ministry will concentrate on the grapes being unloaded in Brazil. This means that all activities will be concentrated in the airports," he said.

According to Paes, as long as there are doubts regarding the possible poisoning of Chilean grapes with cyanide—the poison that was found in grapes in the United States—the Lutz Institute will test samples from all grape imports from Chile. [passage omitted]

Finance Minister Travels to Amsterdam

PY1803132389 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 18 Mar 89

[Excerpt] Finance Minister Mailson da Nobrega has traveled to Amsterdam, the Netherlands, where he will attend the annual IDB meeting that will consider increasing loans to Latin American countries. At the meeting, the 44 IDB members—among them Brazil, Argentina, Mexico, and the United States—will analyze the increase of IDB capital to $22.5 billion. This amount will be enough to triple the loans to Latin American countries. [passage omitted]

Itamaraty Denies Stroessner's U.S. Trip Planned

PY2203000589 Brasilia Domestic Service in Portuguese 2200 GMT 21 Mar 89

[Text] Itamaraty has denied that former Paraguayan President Alfredo Stroessner has informed the Brazilian Government that he will travel to the United States to undergo medical treatment next week. The Foreign Ministry has confirmed that Stroessner has not been in contact with Brasilia over the past few days. Itamaraty spokesman Rui Nogueira has said that Stroessner is free to leave whenever he wants.

[Begin Rui Nogueira recording] He needs no authorization from the Brazilian Government. If he merely reported his trip that would be enough. [end recording]

As of early evening, Itamaraty has not received any phone call from relatives of former president Stroessner or from any doctor assisting him in Parana.

Sarney Postpones Meeting With Region's Presidents

PY2103015889 Brasilia Domestic Service in Portuguese 2200 GMT 21 Mar 89

[Text] President Jose Sarney will not go to Tucurui [Brazil] over next weekend, where he was to have met with Latin American presidents to address the foreign debt issue. Government spokesman Carlos Henrique is here at the Planalto Palace press room.

[Begin recording] [Question] Carlos Henrique, will President Sarney and some South American presidents meet in Tucurui this weekend?

[Henrique] Venezuelan President Carlos Andres Perez wanted the Group of Eight to meet at the beginning of the week, but President Sarney, who during those preliminary contacts [words indistinct], because he is always open to a dialogue with Latin America. Today he considered the short time that all the presidents have before the end of the week. He also considered the fact that Latin American finance ministers are attending an IDB meeting in Europe. Therefore, Sarney told President Perez that it would be better and more appropriate to meet after he, the Venezuelan president, returns from the United States. Perez is going to Atlanta, to a Democratic Party meeting, while [words indistinct] the debt issue. [end recording]

Finance Minister Mailson da Nobrega today called President Sarney from Amsterdam, where he is attending an annual IDB meeting. Da Nobrega told the president that Latin American countries and the United states reached an accord to restructure the IDB capital and to no longer request IMF appraisal of projects sponsored by those countries.

Social Security Minister Released From Hospital

PY1803002189 Brasilia Domestic Service in Portuguese 2200 GMT 17 Mar 89

[Text] Today Social Security Minister Jarbas Barbalho was discharged from the Heart Institute of Sao Paulo. He will return to work next Monday. He after all did not have hepatitis as was announced.

After being hospitalized in the Heart Institute for a week, Social Security Minister Jarbas Barbalho was discharged today. He was taken to the Heart Institute on a tentative diagnosis of hepatitis. The institute physicians conducted several tests which concluded that he was suffering from an obstructive jaundice [citericia obstructiva] that cured itself.

Communications Minister Undergoes Surgery

PY2203005289 Brasilia Domestic Service in Portuguese 2200 GMT 21 Mar 89

[Text] Communications Minister Antonio Carlos Magalhaes was operated on today at the Sao Paulo Heart Institute, where he was admitted 23 days ago following a myocardial stroke.

The operation was performed by a team under Professor Adib Jatene. It lasted 9 hours, during which 4 coronary bypasses were implanted. Jatene reported that the minister is in the heart institute's intensive care unit, where he will stay for 36 hours.

Jatene said that some problems were encountered during the operation, but they were immediately overcome.

AMX Fighters To Have Laser Range Finders

PY2003174389 Rio de Janeiro O GLOBO in Portuguese 14 Mar 89 p 23

[Text] The Elebra Computadores Company will equip 79 of the 100 projected AMX fighters with laser range finders [previous three words in English] that are being developed in Scotland by Ferranti.

The AMX is a joint enterprise between the Brazilian Aeronautics Company (EMBRAER) and the Italian state-owned Aermacchi and Aeritalia enterprises.

According to military sources, the propose contract is worth about $30 million (30 million new cruzados at the official rate of exchange).

This equipment is among the most sophisticated of its type and surpasses anything similar offered today on the international market.

The AMX fighters will be able to operate at low altitude thus increasing safety.

The equipment also supplies data to the on Board computer on the distance to the target, permitting enhanced firing accuracy, and serves as a heat detector enabling the identification of military equipment, such as tanks, from a distance.

The contract originally established that the AMX fighter would be equipped with radar but it proved to be incompatible with the French-made 30-mm cannon system that will be used in this type of airplane.

"The firing vibration caused the radar to loose its target," the sources said.

The AMX fighter planes that are currently being made in Italy are equipped with 20-mm rotating Barrel canons that are extremely accurate. The Americans have refused, however, to release this technology to Brazil.

After about 2 years of negotiations EMBRAER a decided to transfer the problem to the Elebra Computadores Company, which chose the technology developed by Ferranti.

FRG Reschedules Repayments, Interest on Debts

AU1603161389 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 16 Mar 89 p 17

["K.B." report: "Rescheduling for Brazil"]

[Text] Bonn, 15 March—Repayments and interest falling due on guaranteed export loans and development aid loans to Brazil, worth DM1.6 billion, are now being rescheduled. This has been decided by the FRG Government and the Brazilian Government. The FRG is the first creditor country that has carried out this rescheduling. The Finance Ministry points out that Brazil has been granted a tangible respite from payment by this rescheduling, because it only has to pay back its debts in 1993-99.

February Inflation Rate Reaches 16.35 Percent

PY2103014789 Brasilia Domestic Service in Portuguese 2200 GMT 20 Mar 89

[Summary] The Brazilian Institute of Geography and Statistics has reported that the inflation rate reached 16.35 percent in February.

Creditor Banks Grant $600-Million Loan

PY2103133189 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 20 Mar 89

[Text] In the next 15 days, Brazil will receive $600 million to pay overdue interests. This decision was made in Amsterdam, the Netherlands, by representatives of the creditor banks that are attending the annual IDB meeting.

Finance Minister Mailson da Nobrega today met with top U.S. Department of Treasury officials who are in charge of the new foreign debt plan. The meeting, which was also attended by the IMF general manager, began on a good note.

[Begin Camdenssus recording] In my opinion everything is well. [end recording]

Michel Camdenssus and Da Nobrega have agreed that an IMF specialist will visit Brazil next week to analyze Brazil's 1989 economic program.

Today Da Nobrega also held an important meeting with David Mulford, an adviser to Treasury Secretary Nicholas Brady, who is responsible for the implementation of a new plan proposed by Washington to solve Third World foreign debt. Mulford made it clear that Brazil has been included in the so-called Brady Plan. The idea that the Brady Plan is proceeding in the right direction has increasingly been highlighted and it will help to reduce the debtor countries' foreign debt, especially of Latin American countries.

Mulford also reported that the drafting of the project's details is making good progress and that some announcement could be made next week.

International bankers who are meeting in Amsterdam today granted a $600-million loan to Brazil. Brazil will allocate this loan, which it will receive within the next 15-days, to pay its overdue foreign debt.

Trade Balance Registers Surplus in February

PY2203003189 Brasilia Domestic Service in Portuguese 2200 GMT 21 Mar 89

[Summary] The Brazilian balance of trade registered a surplus of $1,081,000,000 in February. This figure is 20.65 percent higher than the surplus registered in February 1988.

Chile

Continued Reportage on Fruit Poisoning Incident

Commentator Charges U.S.

PY2203014189 Santiago Radio Chilena Network in Spanish 1700 GMT 21 Mar 89

[Excerpts] The U.S. Embassy in Santiago lamented the remarks that lawyer Ricardo Claro Vales, a Radio Chilena commentator, made recently to the effect that the fruit embargo against Chile is a political maneuver to pressure General Augusto Pinochet. [passage omitted]

Lawyer Ricardo Claro had made this statement earlier to a TV station and reiterated them this morning during his usual commentary during Primera Plana, the first newscast of Radio Chilena.

Claro said that yesterday a few Philadelphia health inspectors worked slowly and only until 1600 inspecting Chilean fruit shipments. He added that the fruit was poisoned by U.S. agents.

[Begin Claro recording] The actions surrounding the recent Chilean fruit affair are part of a conspiracy devised by U.S. agents to wreak havoc on the Chilean economy, more specially on the geographically broadest sector of the economy; the one that involves the most workers and businessmen; the one in which the banks are involved the most; the one that constitutes, after copper, the most important source of dollars for our country. [end recording]

Ricardo Claro added that two grapes poisoned by U.S. officials marked the beginning of Chile's crucifixion, but our people immediately closed ranks against this dirty trick.

Claro went on to label the U.S. as a terrorist state and called U.S. officials al-Qadhdhafi's Siamese twins.

[Begin Claro recording] Government, opposition, and independent personalities, like myself, have joined forces. That is the way it should be, because Chile's national security was being threatened. The human rights of thousands of Chileans have been violated by this new United States: terrorists of America.

The U.S. Senate will have to study this affair in depth and begin to chop off the heads of the diplomatic agents, other agents, and public officials involved in this brutal sabotage of Chile's economy. This is an unprecedented action.

I have always harbored friendly feelings toward the United States. Today, however, I am forced to say that I am very sorry, but I find it impossible to continue being its friend, because of this example of moral decadence. I also condemn this action, which makes them al-Qadhdhafi's Siamese twins. [end recording]

Ricardo Claro concluded his commentary, broadcast on Radio Chilena's program Primera Plana at 0800 this morning, by warning that it is possible that more Chilean products will be poisoned, and he called U.S. officials international bandits.

Carabineros Director on Charges

PY2203015189 Santiago Radio Chilena Network in Spanish 1700 GMT 21 Mar 89

[Text] Carabineros Director General Rodolfo Stange commented on lawyer and businessman Ricardo Claro Valdes' remarks. Stange said that the situation is serious. According to Claro Valdes, U.S. agents poisoned Chilean grapes exported to the United States.

General Stange said that Chile must deal with the problems just as would any other country whose exports had been questioned. He added that Ricardo Claro Valdes is an oustanding professional and businessman. It would seem that he is well informed and that he has a good grasp of the problem, Stange added.

He went on to say that Claro should be allowed to carry out what he has promised to do, referring to Claro's promise that legal actions will be taken against the U.S. Government.

Asked whether Carabineros had any information that supported Claro's charges, Stange answered: The Carabineros are working together with the other ministries, investigating the matter and implementing controls to make sure that fruit and other exports meet the usual standards.

Gen Rodolfo Stange made these remarks at the Diego Portales Building today.

Poduje, Merino on Charges

PY2203023289 Santiago Domestic Service in Spanish 2300 GMT 21 Mar 89

[Text] Minister Secretary General of Government Miguel Angel Poduje today said that lawyer Ricardo Claro, who charged the United States with poisoning Chilean grapes, is a private citizen who is free to take responsibility for whatever actions he may deem appropriate. Claro has accused U.S. agents of poisoning the Chilean grapes found in Philadelphia. This discovery led to an embargo against Chilean fruit exports.

Claro said that he will start legal actions against the U.S. Government and that he will ask the U.S. Senate to investigate the affair.

Asked whether the Chilean Government feels that there are grounds for legal action on the basis of Claro's statements, Poduje said that it is up to those who have been harmed, that is, private businessmen, to study the situation and undertake whatever actions they may deem appropriate.

Poduje added that the government has not been in touch with Ricardo Claro and does not have the information on which Claro has based his charges.

Regarding the meeting he held with the U.S. charge d' affaires (George Jones), Poduje said that he discussed the campaign that would be necessary to recover U.S. consumers. He added that he has been in touch with U.S. private marketing experts.

Admiral Jose Toribio Merino today labeled as extremely serious Ricardo Claro's charges that the U.S. Government has become a terrorist government with the affair involving Chilean fruit exports.

The Navy commander in chief made his statement after presiding over a scheduled meeting of the government junta at the Diego Portales Building.

[Begin Merino recording] I find his statements extremely serious and of great interest to all. There are, however, some difficult aspects, at least one difficult aspect: the remarkable coincidence between the efforts of left-wing extremist parties to harm Chile and the events that took place in the United States. This is such a remarkable coincidence that it seems to be, I don't know, somewhat weird. [end recording]

Merino also expressed some reservations about reaching an agreement on constitutional reforms, and he affirmed that destruction is the only objective of Marxist parties.

[Beging Merino recording] If there is no agreement, there will be no reform; if there is no reform, there will be no plebiscite. As you can see, three conditions must be met for the plebiscite to take place. There must be an agreement before we can talk about reforming the Constitution, and there must be a bill to reform the Constitution before we can hold a plebiscite. [end recording]

Merino also reported that the Government Junta had received and was studying the bill authorizing the president of the nation to grant loans to Chilean fruit producers, purchase part of their produce, or pay them indemnities.

Problems With Exports Continue

PY2103025589 Santiago Domestic Service in Spanish 2300 GMT 20 Mar 89

[Text] The shipments of fruit abroad are still facing problems. According to the latest reports, several problems are still plaguing this trade despite the agreement reached with the United States.

Nobody knows what to do with 3 million cases of grapes that are already in the United States. The association of exporters [as heard] suggest that they be destroyed, but there are others who believe that the fruit could be saved.

Meanwhile exports of Chilean apples, plums, peaches and other fruits to the United States are still banned. The warehouses in Chile are full of fruit, and there is no room for even larger quantities that are being harvested.

The Chilean Government is working on ways to purchase the fruit stored in the warehouses and distribute it to social welfare and charity institutions.

FPMR's Sergio Buschmann Interviewed

AU2103141889 Vienna PROFIL in German 20 Mar 89 pp 58-59

[Unattributed interview with Sergio Buschmann, "leading member" of the Chilean guerrilla movement "Patriotic Front Manuel Rodriguez," in Vienna "recently": "Pinochet's Mortal Enemy"]

[Excerpts] [Passage omitted] PROFIL: What is the goal of the "Patriotic Front"?

Buschmann: We want to develop into the armed arm of the people, which is able to save them from massacres in the future. We will not lay down our arms until the dictatorship is completely destroyed.

PROFIL: The regime calls the "Patriotic Front Manuel Rodriguez" [FPMR] the "armed arm of the Communist Party."

Buschmann: The dictatorship links any kind of opposition with the Communist Party. According to them, it should have 4 million members.

PROFIL: But you were active in the Communist Party?

Buschmann: I got my political training in the Communist youth organization, but now I am no longer a party member.

PROFIL: There has been a quarrel between the party and the FPMR?

Buschmann: No. There were only some comrades who have withdrawn from the FPMR. The FPMR is trying to unite the different political movements. Only political pluralism ensures triumph in the armed struggle. There are examples of this in Chile: The "Juventud Lautaro" for instance—these are Catholics with a weapon in hand." [passage omitted]

PROFIL: What kind of social model are you striving for? A second Nicaragua?

Buschmann: Of course we admire the revolution in Nicaragua. However, politically we fully trust in the ideas of the Chilean left. We want to be the armed arm of the people, which secures the left parties. We ourselves do not want to be a party, on the contrary: We admire the politicians of the left.

PROFIL: But what is the future model of Chile to be like?

Buschmann: Raw materials must remain the property of the people; human rights must be respected. The judiciary is to serve the people and not to be the lackey of the rich. There is to be a mixed economy with state-owned companies and cooperatives and a redistribution of income. Here everyone is talking about Pinochet and only Pinochet. He is one general among many. Chile has a dictatorship of the General Staff.

PROFIL: Do you think that the United States wants to continue maintaining this system?

Buschmann: Not absolutely. The United States wants to maintain the economic model. But it only works if it is administrated by fascists. Where else would this work? Unemployment amounts to 24 percent; 40 percent of the young people of working age are unemployed.

PROFIL: Where do these figures come from? The government speaks of an "economic miracle," of enormous export successes....

Buschmann: Of course, a miracle for the rich. Do you know that 20 percent of the population have 80 percent of the national wealth? A Chilean worker earns less than $80 per month. One needs a bloodsucker like Pinochet to maintain this system. If yankee imperialism finds another person who guarantees him the maintenance of the economic model, he will be replaced.

PROFIL: You have declared war on the Chilean armed forces. However, they are certainly much more effective than the soldiers of Cuba or the National Guard of Nicaragua, who have lost against guerrilleros.

Buschmann: I do not think so. In their scope and at their time the forces of Batista and Somoza were very strong. But the Cuban people and their leader would have triumphed over any enemy, the Sandinists would have won in any case—in the same way as we will win over the Chilean Army in the long run.

PROFIL: How can one imagine this? Do you want to start a popular rebellion?

Buschmann: The masses will be mobilized, but there will also be military actions. There will be strikes and occupations, a state of total mobilization, until the dictatorship finally topples.

PCCh Congress Advocates Rebellion of Masses

PY2103153389 Santiago FORTIN MAPOCHO in Spanish 17 Mar 89 p 2

[Excerpts] The Maipu-Cerrillos Regional Congress of the PCCh held on 4-5 March has fully approved the idea of the popular rebellion of the masses.

The Maipu-Cerrillos regional, which has some 500 members and approximately 50 communist cells in the Metropolitan Region, has decided that the policy of popular rebellion should be implemented by all sectors that support the anti- dictatorial struggle. [passage omitted]

Regarding national policy, the congress expressed support for a single opposition candidate and for a government program that represents the majority of the people. They also stressed that they ratify the current policy followed by the PCCh in all aspects including struggle of the masses and the electoral struggle.

The communists from Maipu-Cerrillos praised the creation of the PAIS [Broad Party of the Socialist Left] in the area and called on Maipu-Cerrillos residents to ignore the authority of the local mayor, who has not been elected [as published] and who is unaware of the local situation because he lives in Las Condes neighborhood.

Constitution Reform Committee Appointed

PY2103133689 Santiago Domestic Service in Spanish 1030 GMT 21 Mar 89

[Text] The government has decided to establish a special committee to study the proposals to reform the Constitution by the political parties. The Interior Ministry has appointed another committee member: lawyer Raul Bertelsen, president of the Constitutional and Legal Studies Committees. Bertelsen was recently appointed to this post replacing Luz Bulnes. The other members of the new committee are Rafael Valdivieso, secretary of the Council of State; Hermogenes Perez de Arce; and Arturo Marin, chief of the Interior Minister's office.

The new committee, which was constituted as a step to an agreement on constitutional reform, will begin working this week.

Court Chairman Appointed

PY2103161689 Santiago EL MERCURIO in Spanish 14 Mar 89 p C-3

[Excerpt] Yesterday, Luis Maldonado Boggiani, current Supreme Court president, was unanimously appointed Constitutional Court chairman.

In the same meeting, the other members of the Constitutional Court, who were appointed by the National Security Council, were sworn in. They are: Enrique Ortuzar Escobar, who was elected for a second term; Luz Bulnes Aldunate, who replaces Eugenio Valenzuela Somarriva; Manuel Jimenez Bulnes, who was elected for a second term; and Hernan Cereceda Bravo, who replaces Jose Maria Eyzaguirre.

Other members of the Constitutional Court are: Marcos Aburto Ochoa and Eduardo Uruzua Merino who, like Luis Maldonado Boggiano, will serve an 8-year term that will end in 1973. [passage omitted]

New Plebiscite Conditioned To 'Consensus'

PY2103193089 Santiago Television Nacional de Chile in Spanish 1800 GMT 21 Mar 89

[Text] Interior Minister Carlos Caceres has reiterated that the government will call a plebiscite only if there is a consensus over major isues regarding constitutional amendments.

[Begin Caceres recording] Tomorrow I will meet Radical Party President Enrique Silva Cimma. The Technical commissions that will evaluate each possible constitutional amendment have begun their work. This subject will be the government junta. A plebiscite will be called only if there is a consensus over major topics. All the people with whom I have talked over reality willing to reach a consensus. This is very important. Based on this prevailing spirit and willingness, I believe one can feel relatively optimistic over the possibility of reaching a solution which will give the country the democratic stability needed to continue the progress made over the past 15 years. [end recording]

Central Bank President Addresses IDB Meeting

PY2103023889 Santiago Domestic Service in Spanish 2300 GMT 20 Mar 89

[Text] Amsterdam—Today Chile obtained two loans from the IDB. The loans amount to $80.5 million, and the money will be used for highway improvement projects. According to official information, the two IDB loans will be used in the following manner: $45.5 million to improve streets in several Chilean cities, and $35 million to improve and repair national highways.

Enrique Seguel, president of the Chilean Central bank and governor of the IDB, spoke at the meeting. He stated that although the United States had lifted its ban on Chilean fruit exports, we are deeply concerned over the problems that may arise in the future. The markets have been jeopardized, and additional efforts will be required to resolve not only the temporary problem of less foreign currency income, coupled with an increase of government expenditures to save the fruit producers, but also the loss of consumer confidence.

He called for the asssitance of countries that trade with Chile and of multilateral credit organizations to offset the pressure on Chile's international reserves.

1988 Economic Growth Reported at 6.8 Percent

PY2103161889 Santiago EL MERCURIO in Spanish 15 Mar 89 pp A-1, 12

[Excerpts] The Central Bank has reported that the Chilean economy grew 7.4 percent in 1988. This figure is the result of a revision by the Central Bank of the preliminary GDP figure estimated at 6.8 percent. [passage omitted]

The Chilean GDP now totals 5,411,025,000 pesos (in 1989 pesos), which are equivalent to $22 billion. The per capita income totals $1,750. [passage omitted]

Exports of goods and services in general increased by 6.1 percent. Copper exports, however, decreased by 1.2 percent in 1988.

Imports increased by 12.1 percent in view of an increase in the purchase of fixed assets and intermediate goods. [passage omitted]

Four Generals Retire During Ceremony

PY2103161289 Santiago FORTIN DIARIO in Spanish 16 Mar 89 p 24

[Excerpts] Carabineros Director General Rodolfo Stange presided over the ceremony in which four generals retired. [passage omitted]

The Generals were: Inspector General Luis Salgado Arancibia, and Generals Alfonso Palacios Aguirre, Manuel Garrido Quezada, and Leoncio Morles Cornejo. [passage omitted]

Colombia

M-19 Arrives for Talks With Government

PA2203013689 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Mar 89

[Text] The first seven of the 13 delegates appointed by the M-19 [19 April Movement] arrived in Bogota this afternoon under strict security measures. They will negotiate with the government for a permanent reintegration of this guerrilla group into civilian life. The five men and two women were escorted by the F-2 [not further identified] on their arrival at Eldorado Airport and left for an unknown destination.

The settling of the M-19 in Santo Domingo, Cauca Department resulted in the resurrection of at least one of the guerrillas who has been officially listed as killed in the occupation of the Palace of Justice. Fabio Alejandro Marino, alias Hipolito, reappeared shampooing himself in Villa Paz. The same occurred with Clara Elena Enciso, another guerrilla who had been reported dead during the Palace of Justice occupation. This makes two guerrillas who have been resurrected.

[Begin unidentified reporter recording] Fabio Alejandro Marino Vargas, better known in the M-19 ranks as Major Hipolito, must leave the fresh cascades of Cauca, separate himself temporarily from his companion guerrilla, and leave his rifle behind. This is because he has become one of the 13 apostles or one of the 13 on the scaffold, as they jokingly call themselves.

The M-19 spokesmen are tasked with representing the subversive group during the peace process. They will meet this coming week with President Virgilio Barco. Hipolito, former regional leader of the M-19 in Bogota, is a graduate of the Teachers College and taught at the Zipaquira Science School. He left his job 11 years ago to join the M-19 and left for Nicaragua to fight alongside the Sandinists. Hipolito is one of the famous M-19 rebels reportedly killed during the Palace of Justice occupation and who now appears to be alive. Another similar case of a rebel becoming resurrected occurred with guerrilla Clara Elena Enciso, alias La Mona. During the Palace of Justice occupation, she managed to escape arrest when she left for her house in an ambulance. She showed up in Europe 3 years later. During Holy Week, one wonders who will appear or who will be resurrected next. [end recording]

Ecuador

Administration Secretary Discusses Brady Plan

PA2103191989 Quito Radio Quito in Spanish 2300 GMT 20 Mar 89

[Text] In statements to Ecuador Radio, [word indistinct] Washington Herrera, secretary general of the administration, has said the Brady plan has been criticized a lot because, among other things, the U.S. Government has not explained in detail the norms and mechanisms this new, special, economic plan for the indebted countries will implement. However, Washington Herrera said the Ecuadoran Government is pleased with the Brady plan and is willing to participate in formal talks to discuss it:

[Begin Herrera recording] To forestall its critics, the U.S. Government should clarify the intention, norms, opportunities, and path the Brady plan offers.

The U.S. private banks will contribute to that plan and are in a good position to do so. They can help solve the problem of the debtor countries, because in [year indistinct], the U.S. banks broke profit records and [words indistinct] good for [word indistinct].

[Words indistinct] Brady plan. [Words indistinct] suitable to stress the support [words indistinct] by Japan and the European countries, which are important creditors.

Therefore, I believe [words indistinct] regarding the [words indistinct] of the norms and of their timely application could forestall the critics. We must try to correct a problem, but the solution could be beneficial for some and harmful for others. [end recording]

AVC, MPL Discuss Future of Movements

PA2103143489 Paris AFP in Spanish 1845 GMT 20 Mar 89

[Text] Quito, 20 Mar (AFP)—The Alfaro Lives Dammit (AVC) group, which 13 days ago reached an agreement with the government to cease its armed activities, has asked the right wing, the paramilitary groups, and former President Leon Febres-Cordero to simultaneously turn in the weapons each sector holds. During a televised panel discussion last evening, AVC spokesmen called for a simultaneous surrendering of weapons they claim each sector holds. They also proposed that the disarming be carried out on 13 April at 1000 at the capital's Plaza Mayor.

In another development, a spokesman for the Free Homeland Montoneros (MPL) has announced his organization will not lay down arms "until the people achieve freedom and power."

Alluding to Febres-Cordero, whose term ended on 10 August, AVC spokesman Pedro Moncada said: "The oligarchy is heavily armed as a result of the squandering of public funds during the previous administration."

The Febres-Cordero government virtually paralyzed the activities of the AVC, whose main leaders were killed in skirmishes with police in 1986.

The spokesman said if the right-wing groups do not agree to jointly turn in the weapons in front of the people, they can do so on 24 May, anniversary of the last battle for independence in 1822, at a place of their own choice.

According to Marco Troya, "Commander Joaquin" of the AVC, the right wing is heavily armed and is preparing to carry out warlike actions.

According to an agreement the AVC has reached with the Social Democratic administration of President Rodrigo Borja, the AVC will lay down its weapons and the government will, in exchange, call a national dialogue with all sectors to reach a consensus on how to solve the nation's problems.

Moncada said that if it turns out from the dialogue the people want the AVC to turn in its weapons, it will do so completely.

On 7 March, these same spokesmen sealed a pact through a handshake with Government Minister Andres Vallejo after almost 6 years of activities in which at least 20 insurgents and 15 policemen died.

AVC has said it is organizing the people for the national dialogue.

Hiding his face, Commander "Martin Caiza" of the MPL said the poor people of Ecuador want a change "that nobody can see, while differences are growing worse."

He pointed out that the "Montoneros" have ramifications in all areas of activity in Ecuador and its members are active at all levels.

The MPL leader criticized the government, saying: "It does not represent the interests of the majority," and he justified the clandestinity of its leaders and actions.

He pointed out no "Montonero" would have wanted to struggle with weapons but that this is a legitimate alternative in view of the desperation of the people, "who keep on kneeling."[sentence as received]

"Our history bears witness to the rebelliousness and courage of the Ecuadoran people."

"The problem of the weapons is inherent in the condition of our peoples," Caiza said, noting that the MPL is Ecuador's youngest organization, with barely 3 years in existence—and it has not yet caused any casualties.

Caiza said: We have proposed true solutions to the crisis, such as government control of foreign trade, "but the government has chosen to govern for the oligarchy." Finally, he asserted that "there will not be any solution" as long as wealth continues to be concentrated in the hands of a few.

President Swears in New Agriculture Minister

PA2103133889 Quito Radio Quito in Spanish 2300 GMT 20 Mar 89

[Text] A few minutes from now, new Ecuadoran Agriculture Minister Mario Jalil Rodriguez will be officially sworn in by Ecuadoran President Rodrigo Borja Cevallos in a formal ceremony at the National Palace.

Eng Jalil Rodriguez replaces former Minister Enrique Delgado, who resigned his post because of a scandal surrounding the importation of 20,000 tons of rice.

Paraguay

Stroessner, Son Dismissed From Army

PY2103155489 Asuncion EL DIARIO in Spanish 21 Mar 89 p 14

[Text] Defense Minister Army Division General Adolfo Samaniego, retired, and Armed Forces Chief of Staff General Eumelio Bernal Gimenez have admitted that Army General Alfredo Stroessner, former president of the Republic, and his son Colonel Gustavo Stroessner Mora will be dismissed from the Army.

The defense minister has reported that most of the division and brigade generals who, on 2 and 3 February, defended the ousted regime until the last minute will also be dismissed. He added that some of them will also be tried by military courts.

Upon leaving Government Palace, Minister Samaniego said: "All we have discussed were some Armed Forces administrative measures to be implemented."

Asked about the situation of Generals Stroessner, Britez, Fretes Davalos, Johannsen, C. Machuca Vargas, Prieto Busto, Gonzalez Ravetti, Martinez, Duarte Alder, Ruiz Diaz, Knopfelmacher, Araujo, Schreiber, Peralta Baez, Tomassone, and others, in addition to many colonels, Minister Samaniego said: "The promotion board will decide their fate because many superior officers have held their positions for too long. Other officers cannot be promoted until some retire."

Asked how many officers will be retired, dismissed, or tried, Minister Samaniego declined to answer "because the administrative measures have not been adopted yet. It is routine that officers who have held a position for too long be retired. As soon as the names and number are decided upon, the entire list will be released," he said.

Workers Party Created, Executive Board Named

PY2103160789 Asuncion HOY in Spanish 21 Mar 89 p 8

[Summary] The Workers Party (PT) was created during the party's first convention, held on 19 Mach. The PT National Executive board is made up of Chairman Mina Feliciangeli, Deputy Chairman Jose Delvalle and Secretary Tomas Zayas.

Peru

Economy Minister Addresses IDB Meeting

PY2103143989 Lima Television Peruana in Spanish 0100 GMT 21 Mar 89

[Excerpts] The 13th Annual Meeting of IDB Governors opened today in Amsterdam, the Netherlands. The Uruguayan IDB chairman, Enrique Iglesias, who presided over the meeting, reported on the nine objectives for economic recovery and development of the Latin American countries.

Peruvian Economy and Finance Minister Carlos Rivas Davila addressed delegates attending the opening ceremony and supported the need to obtain a net and positive flow of resources to reduce the Peruvian foreign debt and ensure national development. [passage omitted]

Minister Rivas Davila discussed the unpostponable need to reduce the principle and service of the Peruvian foreign debt; said that if the debtor countries do not grow they cannot pay for their debt; and insisted that the debtor countries must be granted new credits, within the framework of a new international economic order.

In his 15-minute speech, Minister Rivas Davila pointed out that, in the specific case of Peruvian-IDB relations, his government is still holding talks with the IDB in an attempt to draft a plan to solve the debt problem.

Rivas Davila said Peru realizes that it is necessary to implement programs to correct the macroeconomic imbalances in its economy. The Peruvian Government believes, however, that the sacrifices made by its people must be used in making the country grow and not only in paying for the debt.

The minister said the IDB must adopt a new policy to assign its resources to the Latin American countries. The areas comprised in the less-developed-regions category must be given priority, he explained.

Minister Rivas Davila also thanked the local people for their hospitality, and expressed the Peruvian Government's appreciation for the effort Enrique Iglesias made during his 1st year as IDB chairman to preserve the Peruvian right to continue receiving IDB financial help.

Venezuela

* COPEI, MAS Reject Economic Measures

* COPEI's Position

33480140 Caracas EL NACIONAL in Spanish 22 Feb 89 p D-2

[Article by Ada Urribarri]

[Text] The National Committee of the COPEI [Social Christian Party], headed by Jose Curiel, has decided to reject the package of economic measures announced at the end of last week, which it regards as "inconsistent, because they flatly contradict the governmental economic guidelines."

According to the spokesman for the COPEI, an effort is being made to sell an economic program based on growth without inflation, but what has been announced thus far "clearly points toward the generation of an economic recession accompanied by serious inflation."

"This is a tax package which seeks to extract resources in order to increase the expenditures of the state, so that their volume will not be reduced, while the national sectors are being asked to make a heavy sacrifice in the hope of very doubtful future success."

It was emphasized once again that the current president of the republic shares responsibility for the current economic situation, and journalists were shown a series of press clippings in which Carlos Andres Perez expressed his solidarity and agreement with the administration of former President Jaime Lusinchi, because of the "benefits it provided for his presidential candidacy, while an effort is being made now to represent it as something new and unknown."

"The country cannot pay for the errors made by the Democratic Action, and the information we have been given is only partial. What we seem to have, rather than an economic strategy, is a list of good intentions. This, in turn, has given rise to expectations and confusion. There is no set date for the application of many of the measures, nor are any details provided or references given, for those pertaining to the foreign debt, for example. According to the information we have," he said, "the foreign debt will increase by the end of the period, and the scenario in which the government sets forth this scheme is excessively optimistic, since it presumes that the country will obtain some $20 billion in the period between 1989 and 1993. We therefore believe that a contingency plan should be drafted for use in the event that things do not come out as they have planned."

Fraud and Investigations

"There should be no impunity for the errors committed by the Lusinchi government," the Social Christian spokesman stressed. One of these involves the Recadi case (he suggested a complete review as of its creation, during the administration of Luis Herrera Campina), into which an in-depth investigation of all of the errors and fraud committed, using the existing legal tools for the purpose, is needed. We believe that the Congress should launch an investigation of the officials of that institution. And, as everyone very well knows, many of the resources for which the people will now have to pay were removed from that institution, both legally and illegally."

A Disastrous Kind of Income

Curiel indicated that the package of economic measures which the government is trying to impose on the country is the same as that the International Monetary Fund has been applying to Brazil, Argentina, and other Latin American countries, and its consequences would be disastrous for the people.

"This is not new. It basically represents a fiscalist policy, which means that the state is draining off the country's resources instead of doing the opposite, and this will result in an ever more powerful state and an ever poorer people. It is fiscalist because the government will now have more resources, thanks to the foreign exchange policy. There will be a differential between the 14.50 and the free exchange which will go to the Central Bank of Venezuela, and these dollars mean more money for the government. It will have more resources because of the levels of customs duties, because of the increase for public services, and because of the alleged tax reform. And there will also be a concentration of resources in the banks and mortgage institutions, thanks to increased interest rates, which for all practical purposes will produce what has been dubbed 'stagflation' (recession plus inflation)."

Alternative Proposals

According to Jose Curiel, the Social Christian Party is studying and drafting schemes and guidelines designed to demonstrate that there are paths other than the policy being imposed. In this connection, he indicated that the search is oriented toward paths which will make it possible to improve the income of the working people, with the approval of a General Wage and Salary Increase Law, which will be the legal mechanism which would provide benefits to the 70 percent of the workers who are not unionized.

Mention was also made of implementing a Housing Policy Law, which would make it possible to expand the housing available through housing savings, with very low interest. This law is now ready in the Congress. Where interest rates are concerned, it was suggested that they might not be increased for housing and vehicles already purchased, but only for new purchases. Also recommended was a change in the fiscalist policy and the size of the state, through a policy reducing its size and favoring other sectors of national production.

Agreement Violated

Inevitably, the National Committee also took up the announcement made by the CEN [National Economy Council] of the Democratic Action pertaining to the advancement of the municipal elections to a date earlier than the month of June. The Committee said that this announcement is "hasty and violates the agreement reached last year, when a document was signed by various parties calling for a basic study of electoral reform and, among other things, establishment of the date for the election of governors, mayors and council members. This decision cannot be made in practice, since the Supreme Electoral Council itself has said that it is not technically possible to hold the elections within the period set by the CEN of the Democratic Action."

Curiel said that prior to the announcement, the impression was of "a desire within the Democratic Action to move the economic laws forward, because of the effect they will have on the population, with a view to holding these elections."

* MAS Issues Communique

Caracas EL NACIONAL in Spanish 22 Feb 89 p D-2

[Article by Teresa de Vincenzo]

[Text] After terming the economic measures adopted by the Carlos Andres Perez government "the worst path ever chosen to deal with the serious economic and social imbalances in the country," the MAS [Movement for Socialism] totally rejected the essential aspects of this package and presented a complex of proposals for an alternative program of adjustments.

The secretary general of that organization, Freddy Munoz, accompanied by other party leaders, made the public announcement of the Executive Committee communique. It contains a detailed analysis of each of the subjects taken up within the so-called Perez economic package.

Munoz emphasized that under the present circumstances, the liberation of interest rates means they will be very considerably increased, striking a blow at those who, lacking major resources, need to obtain credit.

Speaking about the standardization of the rate of exchange, he stressed that since the level is determined by the interplay of supply and demand, up to a limit which, it is claimed, would be lower than the limits seen on the free market for some time, this would mean a substantial devaluation of the bolivar, making imports perceptibly more costly. "In addition, if heavy demand for North American currency should develop, this would encourage the flight of capital."

The document emphasizes "the considerable and unjustified increase in the rates for various services and the price of gasoline, which will also influence the development of a serious inflationary escalation."

Placing emphasis on this issue, the MAS notes that the "almost certain extraordinary rise in the general level of prices (40 percent, according to the government) will lead to a new decline in real income and in consumption. To this must be added the fact that public expenditures will be reduced in real terms, and as total exports will not increase significantly, total demand will contract, leading to a decline in the level of economic activity.

"All of this means," the text says, "that in addition to a highly inflationary effect, the package approved by the government will have a recessive effect."

Measures Termed Hardly Credible and Inadequate

During his conversation with journalists, Freddy Munoz referred twice to the statement made by the government to the effect that the harsh measures to be applied this year will result in high and sustained growth in 1990, with low inflation and gradual social improvement.

"This is a prediction which it is hard to credit. This is the same promise as was made by Jaime Lusinchi, calling for sacrifices for a short time to produce results in a period of 5 years or more," he said.

"The weak nature of the measures is revealed if we take into account the fact that their magnitude makes their implementation in the short run impossible. Exports cannot be expanded so much so quickly, and consolidated public expenditures will suffer from restrictions in real terms. And, for several years, there will be a low level of private investment resulting from the decline in economic activity and the restrictions on financing."

On the other hand, the MAS analysis says, the increase provided in wages and salaries will only serve, for the most part, to offset the losses in real income which occurred in 1987 and 1988, when prices went up 40 and 36 percent, respectively.

And in connection with the subsidies to be granted this year, in a total amount of 31 billion bolivares, the communique says that it is a fact that this will alleviate the serious consumption problems of the middle and lower population strata, but it will not fill in the gaps caused by the decline in real income.

The MAS secretary told the press that the dubious seriousness of the Presidential Commission to Combat Poverty, and the acceptance by the government of the standards of the International Monetary Fund (IMF), have worrisome aspects, particularly because this last circumstance was a part of a logical contradiction. When he was a candidate for the presidency, Carlos Andres Perez accused the IMF of "genocide" and called it the "agent of economic totalitarianism."

Economic Proposals

After expressing the view that it is both possible and urgently necessary to implement a program of adjustments different from that approved by the government, the "Orange Party" drafted what it called a complex of alternative adjustment measures. In addition to making it possible to deal with a number of economic variables in terms of public opinion, these measures could serve as a legislative outline for consultation and debate.

In general terms, the MAS proposes gradual adjustments, with the process of reform being oriented toward the "equitable redistribution of income."

Then, in the foreign exchange sector, it suggests standardizing the rate of exchange on the basis of a rate set by the BCV [Central Bank of Venezuela], which would mean only a moderate devaluation of the bolivar, and the establishment of strict foreign exchange control. In the credit sector, it urges gradual adjustment of the interest rates under the control of the BCV, allowing differentiated systems for key sectors. In this connection, it adds the establishment of a special credit policy for average and small enterprises, and reduction of the difference between the active and passive interest rates.

In the fiscal sector, it suggests that the deficit be reduced by increasing income through overall tax reform carried out progressively, that luxury consumption be taxed, that the operations of the enterprises providing public services be rationalized, and that the measures in the draft Housing Policy Law be implemented.

In the price sector, it proposes establishment of a basic food basket, the items in which would have subsidized prices, and creation of a price management system for other goods of first necessity. Imported items needed for production would have priority in the allocation of foreign exchange, and later, when there are no monopolistic provisions, prices would be liberated.

In the wage sector, wages and salaries would be adjusted, with the initial proposals of the CTV [Confederation of Workers of Venezuela] as a reference point. If this fails to suffice, these adjustments would be ensured through a Wage and Salary Law.

At the conclusion of its analysis, the MAS states categorically that the government has not shown its policy to be the most desirable one. On the contrary, "neither the president nor the members of his cabinet, all of whom we have informed about this program of adjustments, have given evidence that it is not viable or desirable. All they have done is maintain, as their articles of faith, the concepts and the guidelines of the 'package' they have decided to put into practice."

Because of all of the circumstances described, the MAS has decided to "reject and oppose the essential aspects of the economic and social policy approved by the government," and to combat it by seeking modifications of the guidelines and measures it contains.

The Executive Committee of the MAS explains that in this connection, it will work from the parliament for the reforms, and in the streets by means of mobilizations. And it will not refuse the positive cooperation of that organization "when the government proposals are favorable to the interests to which we are committed."

Guyana

Canada Donates $550 Million to Nation's Economy

FL2003151589 Bridgetown CANA in English
1626 GMT 18 Mar 89

[Text] Georgetown, Guyana, March 18, CANA—The Guyana and Canadian Governments have signed two agreements under which Canada will provide Guyana with grants totalling eight million Canadian dollars as part of Canada's contribution to Guyana's three-year Economic Recovery Programme (ERP).

The total Canadian contribution as balance of payments support over the three year [words indistinct] told CANA, is targeted at 60 million Canadian dollars.

Guyana's [word indistinct] recovery programme to which will be hitched an arrangement with the International Monetary Fund (IMF), envisages an inflow of some 550 million U.S. dollars in balance of payments support and project financing and a support group of donor nations chaired by Canada is trying to raise this amount.

Under one of the two agreements signed Friday, Guyana will receive a five million Canadian dollar grant through the Canadian International Development Agency (CIDA) for the financing the importation of commodities to be used in the manufacturing sector.

Under the second agreement Guyana's Education Ministry will receive a three million Canadian dollar grant for financing the importation of paper for the production of exercise books. The money is expected to cover the ministry's requirements for the entire three-year period and will be made available at a rate of one million dollars per year over the three year period.

Canada, meanwhile, has already indicated its willingness to provide Guyana with supplies of fertiliser to cover its needs over a three year period and an agreement to make this possible is expected to be signed shortly, highly placed sources said.

Details of how the remaining portion of the 60 million Canadian dollars targeted for Guyana will be utilised have not been released. According to media reports here, the Guyana support group of donor nations being chaired by Canada met on March 10 and recorded significant progress in trying to raise the 550 million U.S. dollars in balance of payments support needed to complement Guyana's recovery programme.

The agreements signed here are believed to represent the first clear signal that a significant portion of the inflows will be made available during the early days of the ERP in order to give the national economy the shot in the arm of Guyana Government of hoping for.

Signing the agreements on behalf of the Guyana Government was Head of the department of International Economic Cooperation, Dr Cecil Rajana. Canadian High Commissioner to Guyana, Frank Jackson signed on behalf of his government.

Official Says Smuggling Into Suriname Must End

FL2003152289 Bridgetown CANA in English 1646 GMT 18 Mar 89

[Text] Georgetown, Guyana, March 18, CANA—Suriname's Foreign Minister Edwin Sidat has called for the regulating of trading activities between Guyana and Suriname in order to stamp out the thriving contraband trade across the two countires common border.

At present there is a brisk illegal trade across the Corentyne River, the Boundary between the two countries, with commodities such as sugar being smuggled into Suriname for items such as milk, peas, onions and potatoes.

It is in the mutual interest of both Guyana and Suriname to regulate trading between the two countries so that there can be fewer problems, Sidat told a group of Guyanese journalists now in Suriname.

An article published in Fridays edition of the state-owned CHRONICLE newspaper reported Sidat as saying that relations between his country and Guyana though stagnant in some respects, have been "quite good". He noted that several agreements for closer cooperation between the two countries have been signed in recent years but some of these have not been implemented.

However, these agreements as well as several new areas of possible cooperation will be raised during the upcoming state visit to Guyana, March 20-21, by Suriname's president Ramsewak Shankar.

Sidat said Suriname is interested in promoting an exchange of information on the question of surveillance to prevent illegal fishing in the territorial eaters of Guyana and Suriname and to prevent the illegal landing of small planes.

He was also quoted as saying Suriname hopes to discuss with Guyana a treaty on drug trafficking similar to the draft treaty being discussed with Brazil.

Mining Company Restores Relations With Unions

FL2003141789 Bonaire Trans World Radio in English 1130 GMT 20 Mar 89

[Text] Guyana's state-run mining company has agreed to restore relations with the country's two striking bauxite unions, calling off their 2-week old strike. The two sides met yesterday to deal with the two remaining issues. Among the reasons the workers called the strike is a declining standard of living in Guyana.

Venezuelan Ship Detained for Illegal Fishing

FL1803014289 Bridgetown CANA in English 2254 GMT 18 Mar 89

[Text] Georgetown, Guyana, March 17, CANA—A Venezuelan vessel, the Don Equardo, is in police custody in Georgetown after being found fishing illegally in Guyana's territorial waters, the Guyana Public Communications Agency (GPCA) said. The agency said the vessel was seen fishing off the Berbice Coast this week.

The Venezuelan vessel was intercepted by a Guyana Defence Force (GDF) naval patrol and the agency said the Venezuelan vessel was one of several involved in illegal trading and fishing intercepted recently by the patrols. Also intercepted was a vessel carrying a quantity of marijuana, a van, and three shotguns which police believe were made.

AIDS Testing Facilities Set Up in Georgetown

FL2003142489 Bonaire Trans World Radio in English 1130 GMT 20 Mar 89

[Text] Guyana has set up facilities to test for the AIDS virus. A government doctor has predicted the number of AIDS cases in Guyana will show a steep rise. The AIDS testing laboratory has been set up at the Georgetown Hospital using a $100,000 grant provided by the EEC. Fifty-two cases of AIDS have been confirmed in Guyana and 26 patients have died in the last year.

Suriname

President Shankar Addresses Guyanese Parliament

FL2103130889 Bonaire Trans World Radio in English 1130 GMT 21 Mar 89

[Text] Suriname's president is in Guyana for a 2-day visit. Mr Ramsewak Shankar has called for closer cooperation between his country and the Caribbean Community [Caricom]. He specifically said Guyana and Suriname should work together in combatting the drug trade.

Mr Shankar spoke to the Guyana parliament yesterday stating his government is willing to cooperate with Caricom countries in economic, trade, and cultural affairs. Suriname holds observer status in Caricom.

Ends Working Visit in Guyana

FL2103164089 Bridgetown CANA in English 1558 GMT 21 Mar 89

[Text] Georgetown, Guyana, March 21, CANA—Suriname's president Ramsewak Shankar was on Tuesday ending a two-day official visit during which he was to have held wide ranging talks on projects of co-operation.

Shankar was due to visit the Institute of Applied Science and Technology, sign a joint communique with President Desmond Hoyte and hold a press conference prior to his departure today.

He told reporters Monday at the start of his trip he and his delegation had come to Guyana, "with an open mind, (with) a message of friendship and with the intention of holding constructive talks on co-operation in all relevant fields in the interest and to the mutual benefit of our peoples."

Shankar said Suriname had come to realise that south-south co-operation—co-operation among developing countries—and regional co-operation were mandatory for its survival "in this often selfish and increasingly protectionist world."

He contended that the foreign powers of "yonder" which dominated Guyana and Suriname "in that not too distant era of servitude" still greatly influence developments in these countries by controlling the international financial and commodity markets although they had relinquished their legal hold.

"No longer are we focused solely on the metropolitian cities for solutions to our problems. We have come to realise the wisdom of the expression that it is better to have a good neighbor than a far away friend," he remarked.

Shankar, on his first overseas state visit since becoming president last year, was given a rousing welcome when he arrived here yesterday. A 21-gun salute, inspection of a 101-member guard of honor and steel band music formed part of the arrival fanfare.

Plane Seized by Rebels Returned to Paramaribo

FL1703131289 Bonaire Trans World Radio in English 1130 GMT 17 Mar 89

[Text] A plane seized by Surinamese rebels last year has been returned to Paramaribo. The plane was captured by rebels in December and it had been held in rebel territory ever since then. Two members of a church group negotiated the return of the plane, then, they flew it back to Paramaribo Wednesday [15 March] night.

Rebels Say No Progress Made With Government

FL2103130389 Bonaire Trans World Radio in English 1130 GMT 21 Mar 89

[Text] Surinamese rebels say they've made no progress in talks with the government. A rebel advisor, who left Paramaribo for rebel headquarters in eastern Suriname, said the military has a positive attitude toward the peace process but he says it is being blocked by what he called certain groups. Rebel forces led by Ronnie Brunswijk have conducted scattered raids since July in Suriname.